

WALLINGTON BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Wallington, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
SCHOOL DISTRICT
OF
WALLINGTON

WALLINGTON BOARD OF EDUCATION
WALLINGTON, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

PREPARED BY
WALLINGTON BOARD OF EDUCATION

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INTRODUCTORY SECTION

BOARD OF EDUCATION
WALLINGTON, N.J. 07057

JOSEPH BRUNACKI III
BUSINESS ADMINISTRATOR
BOARD SECRETARY

JEFFERSON SCHOOL
(973) 777-4151
Fax (973) 470-9078

December 20, 2015

President Smith and
Members of the Wallington Board of Education
Wallington, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Wallington School District for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education to the best of our knowledge and belief. The data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the financial statements and schedules, as well as the auditor's report thereon. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, as amended, and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury OMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** The Wallington School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Wallington Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, E.S.L., as well as special education for handicapped youngsters. The District's Oct. 15, 2014 state aid student count was 1,195 students.

2. **ECONOMIC CONDITION AND OUTLOOK:** The enrollment in the Wallington Public School District has leveled off after experiencing significant growth in previous years. The district has also experienced a significant increase in "at risk" students since 1997. These are pupils who come from low-income families eligible for a free or reduced lunch. The trend shows: (Oct 30 count)

1997-98	- 140	"at risk" students
1998-99	- 124	"at risk" students
1999-00	- 118	"at risk" students
2000-01	- 108	"at risk" students
2001-02	- 105	"at risk" students
2002-03	- 155	"at risk" students
2003-04	- 155	"at risk" students
2004-05	- 184	"at risk" students
2005-06	- 191	"at risk" students
2006-07	- 232	"at risk" students
2007-08	- 230	"at risk" students
2008-09	- 248	"at risk" students
2009-10	- 306	"at risk" students
2010-11	- 321	"at risk" students
2011-12	- 348	"at risk" students
2012-13	- 358	"at risk" students
2013-14	- 385	"at risk" students
2014-15	- 401	"at risk" students

3. **MAJOR INITIATIVES:** The district is now required to assess students in all grades 3-11 in language arts and mathematics. The HSPA and NJASK have been phased out in favor of the new PARCC assessments which measure college and career readiness. Our results are not yet finalized, but from the first indications we are seeing that we are approaching or surpassing the state averages in all grade levels for students who have met expectations or exceeded expectations. Benchmark or "cut scores" have yet to be established in any district in NJ as the PARCC test only became active in the last school year. QSAC audits have revealed that there is a need to focus on math and language arts scores

throughout our elementary and middle grades. Specifically the district has failed to meet the Annual Measurable Objectives districtwide. Our current score for QSAC in the areas of Instructional Program is 77% with 80% being the passing score. As the PARCC exam scores are in their first year, QSAC will be measuring our district on our previous year's NJASK and HSPA scores. Therefore the chart with District Test Results vs. State Benchmarks has not changed.

District Test Results vs. State Benchmarks are as follows:

	Wallington	S t a t e Benchmark
	percentage	
Mathematics	passing	
Grade 3	84.5	
Grade 4	76.5	
Grade 5	86.8	
Grade 6	86.8	
Grade 7	64.4	
Grade 8	71.2	
Grade 11	86.3	
	percentage	
Language	passing	
Grade 3	78.1	
Grade 4	61.4	
Grade 5	61.4	
Grade 6	77.1	
Grade 7	56.3	
Grade 8	79.5	
Grade 11	94.2	

B. The district continues to implement a community service project each year. The associated board policy follows:
The purpose of the community service program is to provide all high school students the opportunity to have a positive impact on our local community while learning that service to others is an on-going part of life. It is the intent of the Board to develop, encourage and promote partnerships with city agencies, community-based organizations and not-for-profit service entities in order to provide appropriate service opportunities for high school students.

Implementation of this Service Learning graduation requirement began with Juniors in September 2011, and is prorated as follows:

Graduating class of 2015 and all subsequent classes - 40 hrs

Community service hours must be completed at a non-profit organization.

A student may volunteer for a single organization or at a variety of organizations.

Students are encouraged to complete their hours in areas related to their personal interests.

Paid experiences do not qualify.

Working without pay at your job or for a family business does not qualify.

Students can earn a maximum of 20 hours through a sport.

Students cannot earn hours for donating items or money...only their time.

The community service requirement will be prorated for students transferring into Wallington after the beginning of their Junior year.

The Supervisor of Guidance will determine and maintain a database of all activities that qualify as community service.

Students will be responsible for maintaining a copy of all documentation for which they claim community service hours.

All student records pertaining to the community service requirement will be maintained in the Guidance Office

For students enrolled after the first semester of their freshmen year, the requirement will be prorated to equal five hours times the number of semesters enrolled in the Wallington Public Schools.

Service may begin the summer prior to a student's freshmen year.

Childcare/babysitting count only when done for a non-profit organization.

C. S.A.T. - The district has been focusing on the SAT scores. With the change to the format and testing of the SAT the district will provide evening sessions for Juniors and Seniors to tutor them on the changes in the SAT. In addition, the PSAT has been purchased for every grade 10 and 11 student in the district in the hopes that every student will take this exam. The results will be shared with language arts and math teachers so that they can infuse this instruction into their curriculum to assist our students with college and career readiness.

D. Common Core Curriculum Standards - Our courses of study in math, science, language arts and visual & performing arts were all revised in accordance with the deadlines issued by the NJDOE. The district's "mapping" updates occur on a yearly basis, and ensure alignment with the most current standards. The scope and sequence of instruction is being correlated to the PARCC assessment. The maps were revised for 2014-15 based on an analysis of each area during the 2013-14 school year. The district has a supervisor who assists the superintendent in analyzing and revising the curriculum. The curriculum will continue to be reviewed annually regarding the CCSS and PARCC, and revised accordingly.

E. Facilities - We continue to pursue a major initiative to relieve the pressure of enrollment growth at the elementary school level. Modular structures still provide for four additional classrooms at Jefferson School. We have requested, and received approval for an extension to use these "temporary facilities." The board of education and governing body are in discussion concerning property to build a new elementary school which would house all students pre-K to grade 3.

Every classroom and office in the district is Internet accessible. A full functioning fiber optic network is in place. Our bandwidth was upgraded to allow for faster access with full multimedia capabilities. (www.wboe.org) is updated continuously and will be maintained by the Technology Coordinator along with staff members in training. The website focuses on increased parental access. We now have a fully functioning parent portal which allows parents to see their child's progress, and become our partners in educating their children. We have purchased wireless access in order to prepare for PARCC and implement our new evaluation procedures.

Several other facility matters are in various stages of development. They are in the Long-Range Facilities Plan submitted to the Department of Education by Architect's Alliance.

A referendum to address major facility needs in all three schools was passed in the spring of 2014.

- A district-wide emphasis on technology continues with the addition of smart board/interactive white board units. A staff support system to promote integration of this technologies into lessons is being enhanced. We have upgraded our website with a major focus on increased parental access to student information and ultimately increased parental involvement.

F. Staffing - Kindergarten enrollment continues to be high, and the district has added an additional kindergarten. In addition several special education aides have been added to our staff in the past. This will be monitored closely for necessary adjustments. Our enrollments remain high, especially in the elementary schools. We have added a 5th grade 1 class as well as 5th grade 2 class to meet the demands of enrollment. Our special needs population has also increased, requiring us to add an additional grade 4-6 Special Education teacher. We will continue to monitor our enrollment increases to adjust staffing where necessary.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. The accounting system utilized software was purchased from Edumet.

7. **DEBT ADMINISTRATION:** At June 30, 2015, the District's outstanding debt issue was \$4,677,000 in bonds.

8. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with their Act.

9. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

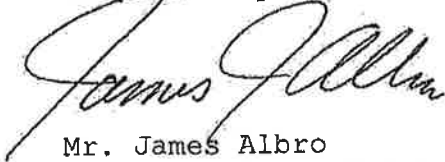
10. OTHER INFORMATION:

A. Independent Audit - State statutes require an annual audit by independent certified public accounts or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins LLP CPA, RMA has been appointed by the Board for our annual audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act, as amended, and the related OMB Circular A-133 and state Treasury OMB Circular Letter 15-08. The auditor's report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Wallington School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial

operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

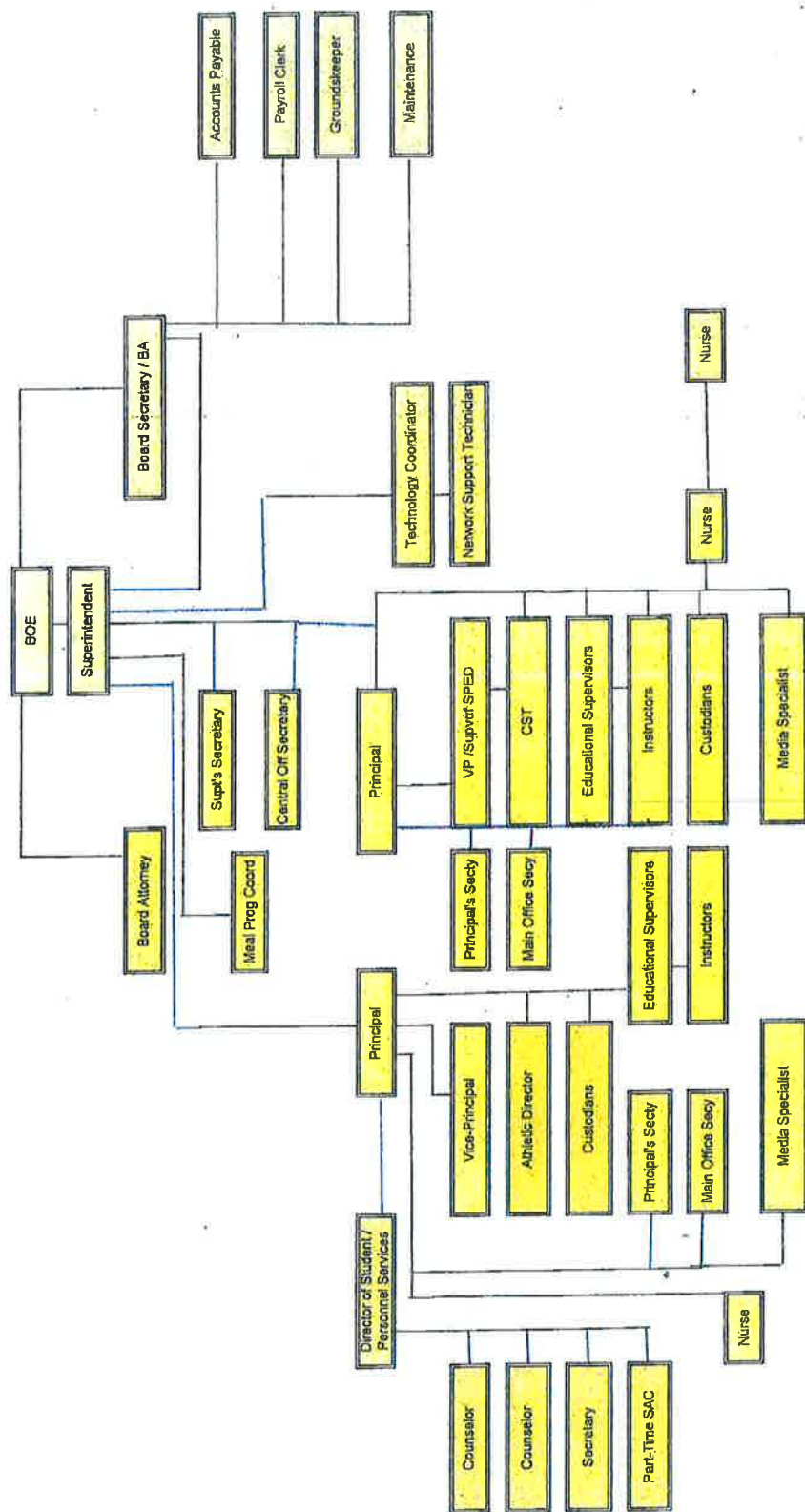


Mr. James Albro
Superintendent of Schools



Joseph C. Brunacki III
Board Secretary/Business
Admin

Wallington Public Schools - Organization Chart 7/9/2012



**WALLINGTON BOARD OF EDUCATION
WALLINGTON, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joseph C. Smith, President	2017
Billy Ricci, Jr., Vice President	2016
Michael Labriola	2016
Christie Fusaro	2016
Pat Severino	2016
David Pinto	2018
Bobby Ristovski	2018
Lucia Lauterhahn	2018
Nicholas Melfi	2017

Other Officials

James Albro, Interim Superintendent

Joseph Brunacki III, Board Secretary/School Business Administrator

Walter Slominski, Esq., Solicitor

William Mendyk, Treasurer of School Monies

WALLINGTON BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm

Lerch, Vinci & Higgins, LLP
Certified Public Accountants
Registered Municipal Accountants
17-17 Route 208 North
Fair Lawn, New Jersey 07410

Architect

Architects Alliance
111 Mulberry Street
Newark, NJ 07102

Attorney

Walter Slomienski
112 Locust Avenue
Wallington, NJ 07057

Official Depository

TD Bank
71 Union Avenue
East Rutherford, NJ 07073

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Wallington Board of Education
Wallington, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wallington Board of Education, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wallington Board of Education as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the Wallington Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wallington Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Wallington Board of Education.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

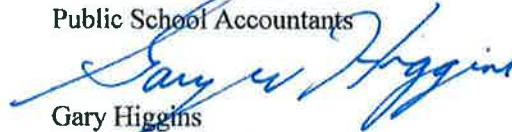
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 20, 2015 on our consideration of the Wallington Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Wallington Board of Education's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Gary Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
December 20, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

WALLINGTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

The discussion and analysis of the Wallington School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

Financial Highlights

- In total, net position increased \$3,237,926.
- General revenues accounted for \$16,680,401 in revenue or 66 percent of all revenues. Program specific revenues in the form of charges for services and operating and capital grants and contributions accounted for \$8,670,709 or 34 percent of total revenues of \$25,351,110.
- Total net position of governmental activities amounted to \$5,262,627 as of June 30, 2015.
- The District had \$21,968,377 in expenses related to governmental activities; only \$8,527,336 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$16,680,401 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$21,771,778 in revenues and other financing sources and \$21,559,640 in expenditures and other financing uses. The General Fund's fund balance increased \$212,138 from 2014.

Using the Comprehensive Annual Financial report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Wallington School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

WALLINGTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Using the Comprehensive Annual Financial report (CAFR) (Continued)

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the district's most significant funds. In the case of the Wallington School District, the General Fund is by far the most significant fund.

Reporting the District as a Whole

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2015?" The *Statement of Net Position* and the *Statement of Activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The cause of this change may be the result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the *Statement of Net Position* and the *Statement of Activities*, the District is divided into two distinct kinds of activities:

- **Governmental Activities** – most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extra-curricular activities.
- **Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods and services provided. The District's food service program is reported as a business-type activity.

WALLINGTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General, Special Revenue, Capital Projects and Debt Service Funds.

Governmental Funds

The District's activities are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end available for spending in the future years. These funds are reported using the *modified accrual accounting method*, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the District as a whole.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

The District as a Whole

The *Statement of Net Position* provides the perspectives of the District as a whole, showing assets, deferred outflows of resources, liabilities, deferred inflows of resources and the difference between them (net position). Net position may serve over time as a useful indicator of a government's financial position.

WALLINGTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

The District as a Whole (Continued)

Table 1 provides a summary of the District's net position as of June 30, 2015 and 2014.

Table 1
Net Position

	<u>2015</u>	<u>2014</u> (Restated)
Assets		
Current and Other Assets	\$ 3,708,976	\$ 3,390,960
Capital Assets, net of accumulated depreciation	<u>11,456,766</u>	<u>7,059,215</u>
Total Assets	<u>15,165,742</u>	<u>10,450,175</u>
 Deferred Outflows of Resources		
Deferred Amounts on Debt Refunding	45,588	-
Deferred Amounts on Net Pension Liability	<u>108,060</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>153,648</u>	<u>-</u>
 Liabilities		
Long-term Liabilities	8,821,808	6,510,231
Other Liabilities	<u>871,584</u>	<u>1,867,873</u>
Total Liabilities	<u>9,693,392</u>	<u>8,378,104</u>
 Deferred Inflows of Resources		
Deferred Amounts on Net Pension Liability	<u>316,001</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>316,001</u>	<u>-</u>
 Net Position		
Net Investment in Capital Assets	7,737,815	4,639,414
Restricted	152,367	276,961
Unrestricted	<u>(2,580,185)</u>	<u>(2,844,304)</u>
Total Net Position	<u>\$ 5,309,997</u>	<u>\$ 2,072,071</u>

The District's combined net position was \$5,309,997 and \$2,072,071 (restated) on June 30, 2015 and 2014, respectively. This reflects an increase of 156 percent from the prior year.

WALLINGTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Table 2 shows changes in net position for fiscal years ended June 30, 2015 and 2014.

Table 2
Changes in Net Position

	<u>2015</u>	<u>2014</u>
Revenues		
Program Revenues:		
Charge for Services	\$ 171,212	\$ 135,242
Grants and Contributions	8,499,497	3,333,716
General Revenues:		
Property Taxes	14,357,547	13,929,126
State Aid	2,278,096	2,247,216
Other	44,758	39,542
Total Revenues	<u>25,351,110</u>	<u>19,684,842</u>
Program Expenses		
Instruction	14,350,816	12,335,645
Support Services:		
Pupils and Instructional Staff	2,694,185	2,438,693
General Administration, School Administration, Business/Central Operations and Maintenance of Facilities	4,443,963	4,033,533
Pupil Transportation	357,935	455,053
Interest on Debt	121,478	108,278
Food Service	<u>144,807</u>	<u>135,352</u>
Total Expenses	<u>22,113,184</u>	<u>19,506,554</u>
Change in Net Position	3,237,926	178,288
Net Position, Beginning of Year	<u>2,072,071</u>	<u>5,533,301</u>
Prior Period Adjustment	<u>-</u>	<u>(3,639,518)</u>
Net Position, End of Year	<u>\$ 5,309,997</u>	<u>\$ 2,072,071</u>

During 2014/15 school year, the District implemented Government Accounting Standards Board ("GASB") Statement No. 68, "Accounting and Financial Reporting of Pensions". In conjunction with the implementation, the District was required to restate the June 30, 2014 financial statements.

WALLINGTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

Governmental Activities

The unique nature of funding public schools primarily through property taxes in New Jersey creates the legal requirements to annually seek voter approval for the District's operations. The District's total revenues of governmental activities were \$25,207,737 and \$19,550,528 for the years ended June 30, 2015 and 2014, respectively. Property taxes made up 57 and 71 percent of revenues for governmental activities for the Wallington School District for fiscal years 2015 and 2014, respectively. Federal, state and local grants accounted for another 42 and 29 percent of revenue for fiscal years ended June 30, 2015 and 2014, respectively.

In the District-wide financial statements, State Aid and program expenses increased significantly in the 2014/15 fiscal year, due to the full accrual of TPAF on-behalf pension expense to comply with GASB 68.

The total cost of all programs and services was \$21,968,377 and \$19,371,202 for the fiscal years ended June 30, 2015 and 2014, respectively. Instruction comprised 65 percent of governmental program expenses for both of the fiscal years ended June 30, 2015 and 2014. Support service expenses make up 34 percent of governmental expenses for both of the fiscal years ended June 30, 2015 and 2014. The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	Total Cost of Services		Net Cost of Services	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Instruction	\$ 14,350,816	\$ 12,335,645	\$ 9,975,924	\$ 9,368,374
Support Services:				
Pupils and Instructional Staff	2,694,185	2,438,693	2,318,490	2,228,306
General Administration, School Admin., Business- Central, Operation and Maintenance of Facilities	4,443,963	4,033,533	687,861	3,898,078
Pupil Transportation	357,935	455,053	337,288	434,683
Interest on Debt	<u>121,478</u>	<u>108,278</u>	<u>121,478</u>	<u>107,117</u>
Total Expenses	<u>\$ 21,968,377</u>	<u>\$ 19,371,202</u>	<u>\$ 13,441,041</u>	<u>\$ 16,036,558</u>

Business-Type Activities

The only business-type activity is the food service operation. The program had revenues of \$143,373 and expenses of \$144,807 in fiscal year 2015. Of the revenues, \$23,034 were charges for services paid by patrons for daily food service, \$120,339 was from State and Federal reimbursements.

WALLINGTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$20,835,244 and \$19,550,528 and expenditures were \$24,681,542 net of bond issuance costs, and \$19,637,554 for the fiscal years ended June 30, 2015 and 2014, respectively. The net change in the fund balance for the fiscal year ended June 30, 2015 was an increase of \$1,363,489. This increase is primarily due to the issuance of general obligated bonds to fund capital projects in the Capital Projects Fund.

The following schedules present a comparison of the revenues of the governmental funds for the fiscal years ending June 30, 2015 and 2014.

<u>Revenue</u>	<u>Amount</u>		<u>Percent</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Local Sources	\$ 14,555,733	\$ 14,313,563	70%	73%
State Sources	5,717,448	4,666,274	27%	24%
Federal Sources	562,063	570,691	3%	3%
Total	<u>\$ 20,835,244</u>	<u>\$ 19,550,528</u>	<u>100%</u>	<u>100%</u>

The following schedule represents a comparison of the governmental funds expenditures for the fiscal years ending June 30, 2015 and 2014.

<u>Expenditures</u>	<u>Amount</u>		<u>Percent</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current:				
Instruction	\$ 12,868,993	\$ 12,364,840	52%	63%
Support Services	6,557,113	6,526,837	27%	33%
Capital Outlay	4,981,559	406,187	20%	2%
Debt Service:				
Principal	201,555	229,707	1%	1%
Interest	72,322	109,983	0%	1%
Total	<u>\$ 24,681,542</u>	<u>\$ 19,637,554</u>	<u>100%</u>	<u>100%</u>

WALLINGTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey Law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budget fund is the General Fund.

During the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to prevent over-expenditures in specific line item accounts.

Capital Assets

At the end of fiscal years 2015 and 2014, the District had \$11,456,766 and \$7,059,215 invested in land, buildings, furniture, equipment and vehicles used for governmental and business-type activities. Overall capital assets increased \$4,397,551 from fiscal year 2014 to fiscal year 2015. Table 4 shows capital assets net of depreciation at June 30, 2015 and 2014 for governmental and business-type activities.

Table 4
Capital Assets Net of Depreciation

	<u>2015</u>	<u>2014</u>
Land	\$ 21,354	\$ 21,354
Construction in Progress	2,336,420	
Land Improvements	1,725,595	1,830,973
Buildings and Building Improvements	7,207,726	5,097,499
Machinery and Equipment	<u>165,671</u>	<u>109,389</u>
Total	<u>\$ 11,456,766</u>	<u>\$ 7,059,215</u>

Long-Term Liabilities

At June 30, 2015 and 2014 the District had \$8,821,808 and \$6,510,231 of long-term liabilities, respectively. Of this amount, \$470,861 and \$450,912 is for compensated absences, \$4,899,279 and \$2,383,000 for bonds payable \$15,246 and \$36,801 for capital lease payable and \$3,436,422 and \$3,639,518 for net pension liability, respectively.

WALLINGTON SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015

For the Future

The Wallington School District is in stable financial condition presently. The District is proud of its community support of the public schools. A major concern is the potential enrollment growth of the district and the increased reliance on property taxes as well as State laws restricting fund balances/net assets.

In conclusion, the District has committed itself to continue its system of financial planning, budgeting and internal financial controls to meet the challenge of the future.

Contacting the District's Financial Management

This financial report is designed to provide the citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Joseph Brunacki III, School Business Administrator/Board Secretary at Wallington Board of Education, Jefferson School – Pine Street, Wallington, NJ 07057.

FINANCIAL STATEMENTS

**WALLINGTON BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 2,097,895	\$ 34,051	\$ 2,131,946
Receivables, net			
Receivables from Other Governments	1,569,232	7,798	1,577,030
Capital Assets			
Not Being Depreciated	2,357,774		2,357,774
Being Depreciated, net	<u>9,093,471</u>	<u>5,521</u>	<u>9,098,992</u>
Total Assets	<u>15,118,372</u>	<u>47,370</u>	<u>15,165,742</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Debt Refunding	45,588		45,588
Deferred Amounts on Net Pension Liability	<u>108,060</u>	<u>-</u>	<u>108,060</u>
Total Deferred Outflows of Resources	<u>153,648</u>	<u>-</u>	<u>153,648</u>
Total Assets and Deferred Outflows of Resources	<u>15,272,020</u>	<u>47,370</u>	<u>15,319,390</u>
LIABILITIES			
Accounts Payable and Other Liabilities	204,595		204,595
Unearned Revenue	605,391		605,391
Accrued Interest Payable	61,598		61,598
Noncurrent Liabilities			-
Due within one year	367,912		367,912
Due beyond one year	<u>8,453,896</u>	<u>-</u>	<u>8,453,896</u>
Total Liabilities	<u>9,693,392</u>	<u>-</u>	<u>9,693,392</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>316,001</u>	<u>-</u>	<u>316,001</u>
Total Deferred Inflows of Resources	<u>316,001</u>	<u>-</u>	<u>316,001</u>
Total Liabilities and Deferred Inflows of Resources	<u>10,009,393</u>	<u>-</u>	<u>10,009,393</u>
NET POSITION			
Net Investment in Capital Assets	7,732,294	5,521	7,737,815
Restricted for			
Capital Projects	151,000		151,000
Debt Service	1,367		1,367
Unrestricted	<u>(2,622,034)</u>	<u>41,849</u>	<u>(2,580,185)</u>
Total Net Position	<u>\$ 5,262,627</u>	<u>\$ 47,370</u>	<u>\$ 5,309,997</u>

**WALLINGTON BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 7,887,718		\$ 2,020,072		\$ (5,867,646)		\$ (5,867,646)
Special Education	4,538,128		1,575,665		(2,962,463)		(2,962,463)
Other Instruction	1,068,931	\$ 148,178	441,629		(479,124)		(479,124)
School Sponsored Activities and Athletics	856,039		189,348		(666,691)		(666,691)
Support Services							
Student & Instruction Related Services	2,694,185		375,695		(2,318,490)		(2,318,490)
General Administration Services	645,645		114,921		(530,724)		(530,724)
School Administration Services	797,674		110,726		(686,948)		(686,948)
Plant Operations and Maintenance	2,374,084		40,921	\$ 3,489,534	1,156,371		1,156,371
Pupil Transportation	357,935		20,647		(337,288)		(337,288)
Central Services	626,560				(626,560)		(626,560)
Interest on Long-Term Debt	121,478		-		(121,478)	-	(121,478)
Total Governmental Activities	21,968,377	148,178	4,889,624	3,489,534	(13,441,041)	-	(13,441,041)
Business-Type Activities							
Food Service	144,807	23,034	120,339	-	-	(1,434)	(1,434)
Total Business-Type Activities	144,807	23,034	120,339	-	-	(1,434)	(1,434)
Total Primary Government	\$ 22,113,184	\$ 171,212	\$ 5,009,963	\$ 3,489,534	(13,441,041)	(1,434)	(13,442,475)
General Revenues							
Property Taxes:							
Levied for General Purposes					14,078,890		14,078,890
Levied for Debt Service					278,657		278,657
State Aid - Unrestricted					2,278,096		2,278,096
Investment Earnings					1,368		1,368
Miscellaneous Income					43,390	-	43,390
Total General Revenues					16,680,401	-	16,680,401
Change in Net Position					3,239,360	(1,434)	3,237,926
Net Position, Beginning of Year (Restated)					2,023,267	48,804	2,072,071
Net Position, End of Year					\$ 5,262,627	\$ 47,370	\$ 5,309,997

The accompanying Notes to the Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**WALLINGTON BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 1,814,902		\$ 281,626	\$ 1,367	\$ 2,097,895
Due from Other Funds	26,676				26,676
Receivables, Net	<u>28,556</u>	<u>\$ 66,838</u>	<u>1,473,838</u>	<u>-</u>	<u>1,569,232</u>
Total Assets	<u>\$ 1,870,134</u>	<u>\$ 66,838</u>	<u>\$ 1,755,464</u>	<u>\$ 1,367</u>	<u>\$ 3,693,803</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 134,346	\$ 40,162	\$ 87		\$ 174,595
Other Liabilities	30,000				30,000
Due to Other Funds		26,676			26,676
Unearned Revenue	<u>-</u>	<u>-</u>	<u>605,391</u>	<u>-</u>	<u>605,391</u>
Total Liabilities	<u>164,346</u>	<u>66,838</u>	<u>605,478</u>	<u>-</u>	<u>836,662</u>
Fund Balances					
Restricted					
Excess Surplus	745,190				745,190
Excess Surplus, Designated for Subsequent Year's Expenditures	489,532				489,532
Capital Reserve	151,000				151,000
Capital Projects			1,149,986		1,149,986
Debt Service				\$ 1,367	1,367
Assigned					
Encumbrances	132,468				132,468
Designated for Subsequent Year's Expenditures	245,468				245,468
ARRA/SEMI - Designated for Subsequent Year's Expenditures	4,840				4,840
Unassigned	<u>(62,710)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62,710)</u>
Total Fund Balances	<u>1,705,788</u>	<u>-</u>	<u>1,149,986</u>	<u>1,367</u>	<u>2,857,141</u>
Total Liabilities and Fund Balances	<u>\$ 1,870,134</u>	<u>\$ 66,838</u>	<u>\$ 1,755,464</u>	<u>\$ 1,367</u>	

EXHIBIT B-1

**WALLINGTON BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015**

Total Fund Balances (Exhibit B-1) 2,857,141

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$17,050,582 and the accumulated depreciation is \$5,599,337

11,451,245

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.

45,588

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources
Deferred Inflows of Resources

\$ 108,060
(316,001)

(207,941)

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:

(61,598)

Long-term liabilities, including bonds payable, capital leases, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Bonds Payable, (Including Unamortized Premium)
Capital Leases Payable
Compensated Absences Payable
Net Pension Liability

\$ (4,899,279)
(15,246)
(470,861)
(3,436,422)

(8,821,808)

Net position of governmental activities (Exhibit A-1)

\$ 5,262,627

**WALLINGTON BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 14,078,890			\$ 278,657	\$ 14,357,547
Miscellaneous	191,594	\$ 5,250	\$ -	1,342	198,186
Total - Local Sources	14,270,484	5,250	-	279,999	14,555,733
State Sources	4,849,001		868,447		5,717,448
Federal Sources	31,206	530,857	-	-	562,063
Total Revenues	19,150,691	536,107	868,447	279,999	20,835,244
EXPENDITURES					
Current					
Instruction					
Regular Instruction	6,813,604	9,625			6,823,229
Special Education Instruction	4,068,147	270,608			4,338,755
Other Instruction	730,545	221,078			951,623
School-Sponsored Activities and Athletics	755,386				755,386
Support Services					
Student & Instruction Related Services	2,455,984	34,796			2,490,780
General Administration Services	522,303				522,303
School Administration Services	727,548				727,548
Plant Operations and Maintenance	1,835,498				1,835,498
Pupil Transportation	357,935				357,935
Central Services	623,049				623,049
Debt Service					
Principal	21,555			180,000	201,555
Interest and Other Charges	1,988			70,334	72,322
Cost of Issuance on Refunding				62,101	62,101
Capital Outlay	2,645,139	-	2,336,420	-	4,981,559
Total Expenditures	21,558,681	536,107	2,336,420	312,435	24,743,643
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,407,990)	-	(1,467,973)	(32,436)	(3,908,399)
Other Financing Sources (Uses)					
Bond Proceeds			2,617,000		2,617,000
Payments of Refunding Escrow Agent				(2,248,616)	(2,248,616)
Refunding Bond Proceeds				2,060,000	2,060,000
Premium on Issuance of Refunding Bonds				222,417	222,417
Insurance Recovery Related to Capital Assets	2,621,087				2,621,087
Transfers In			959		959
Transfers Out	(959)	-	-	-	(959)
Total Other Financing Sources (Uses)	2,620,128	-	2,617,959	33,801	5,271,888
Net Change in Fund Balances	212,138	-	1,149,986	1,365	1,363,489
Fund Balance, Beginning of Year	1,493,650	-	-	2	1,493,652
Fund Balance, End of Year	\$ 1,705,788	\$ -	\$ 1,149,986	\$ 1,367	\$ 2,857,141

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**WALLINGTON BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 1,363,489

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of activities and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Capital Outlay	\$ 4,981,559	
Depreciation Expense	<u>(582,492)</u>	
		4,399,067

In the statement of activities, compensated absences and pension expense are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Increase in Compensated Absences	(19,949)	
Increase in Pension Expense	<u>(4,845)</u>	
		(24,794)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt Issuance		
Issuance of General Obligated Bonds	(2,617,000)	
Add: Issuance Premium	(222,417)	
Refunding Bond Proceeds	(2,060,000)	
Principal Repayments		
Capital Leases Payable	21,555	
Bonds Payable	180,000	
Payments to Escrow Agent for Refunding	<u>2,248,616</u>	
		(2,449,246)

Governmental Funds report the effect of issuance costs, premiums and deferred amounts on refundings pertaining to bonds issued when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Premium	138	
Amortization of Deferred Amount on Refunding	<u>(28)</u>	
		110

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Increase in Accrued Interest		<u>(49,266)</u>
------------------------------	--	-----------------

Change in net position of governmental activities (Exhibit A-2) \$ 3,239,360

The accompanying Notes to the Financial Statements are an integral part of this statement.

**WALLINGTON BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	Business-Type Activities Enterprise Fund <u>Non-Major</u>
ASSETS	
Current Assets	
Cash	\$ 34,051
Intergovernmental Receivable	
State	133
Federal	<u>7,665</u>
Total Current Assets	<u>41,849</u>
Capital Assets	
Equipment	38,135
Less: Accumulated Depreciation	<u>(32,614)</u>
Total Capital Assets	<u>5,521</u>
Total Assets	<u>47,370</u>
NET POSITION	
Investment in Capital Assets	5,521
Unrestricted	<u>41,849</u>
Total Net Position	<u>\$ 47,370</u>

The accompanying Notes to the Financial Statements are an integral part of this statement

**WALLINGTON BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Business-Type Activities Enterprise Fund <u>Non-Major</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	\$ 23,034
Total Operating Revenues	<u>23,034</u>
OPERATING EXPENSES	
Cost of Sales	140,839
Depreciation Expense	<u>3,968</u>
Total Operating Expenses	<u>144,807</u>
Operating Loss	<u>(121,773)</u>
NONOPERATING REVENUES	
State Sources	
School Lunch Program	2,220
Federal Sources	
National School Lunch Program	104,850
National School PB Lunch Program	2,363
National School Breakfast Program	<u>10,906</u>
Total Nonoperating Revenues	<u>120,339</u>
Change in Net Position	(1,434)
Total Net Position, Beginning of Year	<u>48,804</u>
Total Net Position, End of Year	<u>\$ 47,370</u>

The accompanying Notes to the Financial Statements are an integral part of this statement

**WALLINGTON BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Business-Type Activities Enterprise Fund <u>Non-Major</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 23,034
Cash Payments to Suppliers for Goods and Services	<u>(140,839)</u>
Net Cash Used by Operating Activities	<u>(117,805)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	<u>120,363</u>
Net Cash Provided by Noncapital Financing Activities	<u>120,363</u>
Cash Flows from Capital and Related Financing Activities	
Purchases of Capital Assets	<u>(2,452)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(2,452)</u>
Net Increase in Cash and Cash Equivalents	106
Cash, Beginning of Year	<u>33,945</u>
Cash, End of Year	<u>\$ 34,051</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	\$ (121,773)
Adjustments	
Depreciation	<u>3,968</u>
Net Cash Used by Operating Activities	<u>\$ (117,805)</u>

The accompanying Notes to the Financial Statements are an integral part of this statement

**WALLINGTON BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2015**

	Unemployment Compensation <u>Trust Fund</u>	Scholarship <u>Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash	\$ 105,687	\$ 53,001	\$ 106,012
Due from Other Funds	<u>15,546</u>	<u>-</u>	<u>-</u>
Total Assets	<u>121,233</u>	<u>53,001</u>	<u>\$ 106,012</u>
LIABILITIES			
Payroll Deductions and Withholdings			\$ 4,835
Accrued Salaries and Wages			1,000
Accounts Payable		36,776	
Due to Other Funds			15,546
Due to Student Groups			84,631
Due to State Government	<u>\$ 5,805</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>5,805</u>	<u>36,776</u>	<u>\$ 106,012</u>
NET POSITION			
Restricted For Scholarships		16,225	
Held in Trust for Unemployment Claims	<u>115,428</u>	<u>-</u>	
Total Net Position	<u>\$ 115,428</u>	<u>\$ 16,225</u>	

The accompanying Notes to the Financial Statements are an integral part of this statement.

**WALLINGTON BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Unemployment Compensation <u>Trust</u>	Scholarship <u>Fund</u>
ADDITIONS		
Contributions		
Employees	\$ 21,279	
Scholarship Donations	<u>-</u>	\$ 36,366
Total Contributions	<u>21,279</u>	<u>36,366</u>
Investment Earnings		
Interest	<u>-</u>	<u>20</u>
Net Investment Earnings	<u>-</u>	<u>20</u>
Total Additions	<u>21,279</u>	<u>36,386</u>
DEDUCTIONS		
Unemployment Claims and Contributions	22,656	
Scholarship Awards	<u>-</u>	<u>37,976</u>
Total Deductions	<u>22,656</u>	<u>37,976</u>
Change in Net Position	(1,377)	(1,590)
Net Position, Beginning of the Year	<u>116,805</u>	<u>17,815</u>
Net Position, End of the Year	<u>\$ 115,428</u>	<u>\$ 16,225</u>

The accompanying Notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Wallington Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Wallington Board of Education this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify -- in the context of the current governmental financial reporting environment -- the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental funds to be major funds. The District considers its enterprise fund to be a nonmajor fund.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The District reports the following non-major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. Receivables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

3. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	50
Building Improvements	20-40
Heavy Equipment	5
Office Equipment and Furniture	5
Computer Equipment	5

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item, which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

5. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

6. Pensions

In the district-wide financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

7. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows or resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

8. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2014 audited excess surplus that was appropriated in the 2015/2016 original budget certified for taxes.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2.)

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

8. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2015/2016 District budget certified for taxes.

ARRA/SEMI – Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of the ARRA/SEMI revenue that is unexpended at June 30, 2015 that will be appropriated either by Board resolution into the 2015/2016 budget or in the adopted 2016/2017 budget certified for taxes.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

2. Property Taxes

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

3. *Tuition Revenues and Expenditures*

Tuition Expenditures - Tuition charges for the fiscal years 2013-2014 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *Proprietary Funds, Operating and Non-Operating Revenues and Expenses*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund, are charges to customers for sales and services. Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. The annual budget is voted upon at the annual school election on the third Tuesday in April

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$209,124. The increase was funded by additional state aid appropriated, transfer of capital reserve funds and the reappropriation of prior year general fund encumbrances.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$62,710 in the General Fund as of June 30, 2015 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2014/2015 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District is deficit in the GAAP (fund) financial statements of \$62,710 in the General Fund is less than the delayed state aid payments.

C. Capital Reserve

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014		\$ 276,959
Withdrawals		
Approved in District Budget	125,000	
Approved by Board Resolution	<u>959</u>	
		<u>125,959</u>
Balance, June 30, 2015		\$ <u>151,000</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2015 is \$1,234,722. Of this amount, \$489,532 was designated and appropriated in the 2015/2016 original budget certified for taxes and the remaining amount of \$745,190 will be appropriated in the 2016/2017 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$2,396,646 and bank and brokerage firm balances of the Board's deposits amounted to \$2,782,107. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

Depository Account

Insured	\$ <u>2,782,107</u>
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**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2015 the Board's bank balance of \$2,782,107 was not exposed to custodial credit risk since all deposits are insured either through FDIC or GUDPA.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2015, the Board had no outstanding investments.

B. Receivables

Receivables as of June 30, 2015 for the district's individual major funds and nonmajor fund in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise Nonmajor</u>	<u>Total</u>
Receivables:					
Intergovernmental	\$ 28,556	\$ 66,838	\$ 1,473,838	\$ 7,798	\$ 1,577,030
Gross Receivables	28,556	66,838	1,473,838	7,798	1,577,030
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 28,556</u>	<u>\$ 66,838</u>	<u>\$ 1,473,838</u>	<u>\$ 7,798</u>	<u>\$ 1,577,030</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the unearned revenue reported in the governmental funds was as follows:

Capital Projects Fund

Unrealized School Facilities Grants	\$ 605,391
Total Unearned Revenue for Governmental Funds	<u>\$ 605,391</u>

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance, July 1, 2014	Increases	Decreases	Balance, June 30, 2015
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 21,354			\$ 21,354
Construction In Progress	-	\$ 2,336,420	-	2,336,420
Total Capital Assets, Not Being Depreciated	21,354	2,336,420	-	2,357,774
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	9,168,693	\$ 2,539,442		11,708,135
Land Improvements	2,107,380			2,107,380
Machinery and Equipment	774,196	105,697	\$ (2,600)	877,293
Total Capital Assets Being Depreciated	12,050,269	2,645,139	(2,600)	14,692,808
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(4,071,194)	(429,215)		(4,500,409)
Land Improvements	(276,407)	(105,378)		(381,785)
Machinery and Equipment	(671,844)	(47,899)	2,600	(717,143)
Total Accumulated Depreciation	(5,019,445)	(582,492)	2,600	(5,599,337)
Total Capital Assets, Being Depreciated, Net	7,030,824	2,062,647	-	9,093,471
Government Activities Capital Assets, Net	\$ 7,052,178	\$ 4,399,067	\$ -	\$ 11,451,245

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2014	Increases	Decreases	Balance, June 30, 2015
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 35,683	\$ 2,452	-	\$ 38,135
Total Capital Assets Being Depreciated	35,683	2,452	-	38,135
Less Accumulated Depreciation for:				
Machinery and Equipment	(28,646)	(3,968)	-	(32,614)
Total Accumulated Depreciation	(28,646)	(3,968)	-	(32,614)
Total Capital Assets, Being Depreciated, Net	7,037	(1,516)	-	5,521
Business-Type Activities Capital Assets, Net	\$ 7,037	\$ (1,516)	\$ -	\$ 5,521

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:

Instruction	
Regular	\$ 18,156
Special Education	1,000
Total Instruction	19,156

Support Services

Support Services-Students & Instruction Related Services	17,770
School Administration	9,298
Operations and Maintenance of Plant	535,833
Business/Central Services	435

Total Support Services	563,336
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Total Depreciation Expense - Governmental Activities	\$ 582,492
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Business-Type Activities:

Food Service Fund	\$ 3,968
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Total Depreciation Expense - Business-Type Activities	\$ 3,968
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**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments (Modify)

The District has the following active construction projects as of June 30, 2015:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Roof Replacement at Wallington High School	\$ 2,800	\$ 255,630
Wallington High School Masonry Project	681,946	362,823
Wallington High School Door Replacement Project	160,367	150,431
Frank Gavlak School Door Replacement Project	140,506	63,898
Wallington High School Painting Project	95,579	37,630
Wallington High School Window Replacement Project	1,023,865	54,135
Total		<u>\$ 924,547</u>

Insurance Proceeds

The District had insurance policies in effect at the time of the gym roof collapse a Gavlak School for comprehensive property damage (including flood), casualty, business interruption and other coverages. As of June 30, 2015, the insurers have remitted \$2,621,087 directly to the vendors. These funds are recorded as revenue and an expenditure in the General Fund for the year ended June 30, 2015.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	26,676
Unemployment Compensation Trust Fund	Agency Fund	<u>15,546</u>
Total		<u>\$ 42,222</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers

	<u>Transfer In:</u>
	Capital Projects
<u>Transfer Out:</u>	
General Fund	\$ 959
Total transfer out	<u>\$ 959</u>

The above transfer is the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

F. Leases

Operating Leases

The District leases copiers, printers, trailers and the former Most Sacred Heart of Jesus School Building to use for elementary school grades Kindergarten through 6th grade under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2015 were \$300,897. The future minimum lease payments for these operating leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2016	\$ 351,128
2017	348,468
2018	348,468
2019	328,518
2020	<u>3,051</u>
Total	<u>\$ 1,379,633</u>

WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases

The District is leasing two (2) temporary classroom units totaling \$82,000 under capital leases. The leases are for terms of 4 years.

The capital assets acquired through capital leases are as follows:

	Governmental <u>Activities</u>
Machinery and Equipment	\$ 82,000
Less: Accumulated Depreciation	<u>(12,300)</u>
Total	<u>\$ 69,700</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

<u>Fiscal Year Ending June 30</u>	Governmental <u>Activities</u>
2016	<u>\$ 15,656</u>
Total Minimum Lease Payments	15,656
Less: Amount Representing Interest	<u>410</u>
Present Value of Minimum Lease Payments	<u>\$ 15,246</u>

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2015 are comprised of the following issues:

\$2,060,000, 2015 School Bonds, due in annual installments of \$175,000 to \$225,000 through August 15, 2029, interest at 3.00% to 4.00%	\$2,060,000
\$2,617,000, 2014 School Refunding Bonds, due in annual installments of \$130,000 to \$260,000 through May 15, 2025, interest at 2.00% to 3.00%	<u>2,617,000</u>
Total	<u>\$4,677,000</u>

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Fiscal Year Ending	<u>Serial Bonds</u>		
	<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2016	\$	175,000	\$ 182,296
2017		315,000	141,248
2018		325,000	133,048
2019		340,000	122,698
2020		345,000	111,898
2021-2025		1,885,000	381,395
2026-2030		<u>1,292,000</u>	<u>96,420</u>
	\$	<u>4,677,000</u>	<u>\$ 1,169,003</u>
			<u>\$ 5,846,003</u>

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 39,164,219
Less: Net Debt Outstanding	<u>4,677,000</u>
Remaining Borrowing Power	<u>\$ 34,487,219</u>

Current Refundings of Debt

On February 26, the District issued \$2,060,000 in School District Refunding Bonds having an interest rate of 3.00% to 4.00%. These bonds were issued in order to currently refund certain principal maturities and certain interest payments of the 2005 School Bonds of the District. The total bond principal defeased was \$2,203,000 and the total interest payments defeased was \$570,834. The net proceeds of \$2,248,616 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$45,616. This amount has been reported as a Deferred Outflow of Resources on the financial statements and amortized over the remaining life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the current and next 10 years by \$202,291 and resulted in an economic gain of \$181,544.

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Balance, July 1, 2014 (Restated)	Additions	Reductions	Balance, June 30, 2015	Due Within One Year
Governmental activities:					
Bonds Payable	\$ 2,383,000	\$ 4,677,000	\$ 2,383,000	\$ 4,677,000	\$ 175,000
Add: Unamortized Premium	-	222,417	138	222,279	-
Total Bonds Payable	2,383,000	4,899,417	2,383,138	4,899,279	175,000
Capital Leases Payable	36,801		21,555	15,246	15,246
Compensated Absences	450,912	43,921	23,972	470,861	20,000
Net Pension Liability	3,639,518	-	203,096	3,436,422	157,666
Governmental activity Long-term liabilities	<u>\$ 6,510,231</u>	<u>\$ 4,943,338</u>	<u>\$ 2,631,761</u>	<u>\$ 8,821,808</u>	<u>\$ 367,912</u>

For the governmental activities, the liabilities for compensated absences and net pension liability are generally liquidated by the general fund.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the School Alliance Insurance Fund (SAIF or the "Fund"). The Fund is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the Fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the fund, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Fund. Members have a contractual obligation to fund any deficit of the Fund attributable to a membership year during which they were a member.

SAIF provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the insurance fund are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2015	\$ 21,279	\$ 22,656	\$ 115,428
2014	20,463	53,929	116,805
2013	19,567	29,302	150,271

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities (Continued)

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2015, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2015, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PERS") is 75.4 percent and \$13.7 billion, respectively.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress (Continued)

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>	<u>DCRP</u>
2015	\$ 151,310	\$ 401,677	\$ 7,563
2014	163,816	316,712	1,321
2013	223,067	484,034	1,212

For fiscal years 2014/2015 and 2012/2013, the state contributed \$401,677 and \$484,034, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$316,712 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$567,576 during the fiscal year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$3,436,422 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the District's proportionate share was .07486 percent, which was an decrease of .00004 percent from its proportionate share measured as of June 30, 2013.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$156,155 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 108,060	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 204,792
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>-</u>	<u>111,209</u>
Total	<u>\$ 108,060</u>	<u>\$ 316,001</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2016	\$ (51,777)
2017	(51,777)
2018	(51,777)
2019	(51,777)
2020	(579)
Thereafter	<u>(254)</u>
	<u>\$ (207,941)</u>

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
	Based on Age
Thereafter	3.15-5.40%
	Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial Assumptions were Based	June 30, 2011

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

PERS

Period of Projected Benefit

Payments for which the Following

Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2033

Municipal Bond Rate * From July 1, 2033
and Thereafter

* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.39%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 4,323,122</u>	<u>\$ 3,436,422</u>	<u>\$ 2,691,818</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2014. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,153,083 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$40,013,154. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

<u>TPAF</u>	
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based
Thereafter	on experience
	Varies based
	on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 -
Study Upon Which Actuarial	June 30, 2012
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.68%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

TPAF

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2027

Municipal Bond Rate * From July 1, 2027
and Thereafter

* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.68%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	1% Decrease <u>(3.68%)</u>	Current Discount Rate <u>(4.68%)</u>	1% Increase <u>(5.68%)</u>
District's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 48,125,421</u>	<u>\$ 40,013,154</u>	<u>\$ 33,266,136</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2014 was not provided by the pension system.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$637,663, \$519,288 and \$547,320, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 5 JOINT VENTURE

On February 17, 2011, the Board entered into a shared services agreement with the Borough of Wallington for the purpose of installing synthetic turf at the Wallington High School athletic field. According to the terms of the agreement, the total cost of the project shall not exceed \$1,700,000. The Borough has adopted a bond ordinance appropriating \$1,700,000. Of this amount, the Board has made a payment of \$275,000 to the Borough for a down payment, with the remaining \$1,425,000 being authorized debt of the Borough. Also, according to the terms of the agreement, the Board shall be responsible for payment to the Borough of any principal and interest due on debt, upon such debt being issued by the Borough.

NOTE 6 RESTATEMENT

On July 1, 2014, the Wallington Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The Wallington Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$3,639,518. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$5,662,785 as originally reported to \$2,023,267 as adjusted for the effects of the change in accounting principle.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**WALLINGTON BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 14,078,890		\$ 14,078,890	\$ 14,078,890	
Interest Earned on Capital Reserve	1		1		(1)
Miscellaneous	130,000	-	130,000	191,594	61,594
Total Local Sources	14,208,891	-	14,208,891	14,270,484	61,593
State Sources					
Extraordinary Aid	125,000		125,000	185,412	60,412
Categorical Special Education Aid	727,940		727,940	727,940	
Equalization Aid	2,178,860		2,178,860	2,178,860	
Transportation Aid	20,642		20,642	20,642	
Security Aid	40,911		40,911	40,911	
Under Adequacy	75,442		75,442	75,442	
PARCC Readiness Aid	12,810		12,810	12,810	
Per Pupil Growth Aid	12,810		12,810	12,810	
On-Behalf TPAF - NCGI Premium (Non-Budget)				26,959	26,959
On-Behalf TPAF - Normal Cost (Non-Budget)				374,718	374,718
On-Behalf TPAF - Post-Retirement Medical (Non-Budget)				637,663	637,663
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	567,576	567,576
Total State Sources	3,194,415	-	3,194,415	4,861,743	1,667,328
Federal Sources					
ARRA/SEMI				4,840	4,840
Medicaid Reimbursement	15,683	-	15,683	26,366	10,683
Total Federal Sources	15,683	-	15,683	31,206	15,523
Total Revenues	17,418,989	-	17,418,989	19,163,433	1,744,444
EXPENDITURES					
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	389,406	\$ 30,800	420,206	418,998	1,208
Grades 1-5	1,530,849	(82,200)	1,448,649	1,447,468	1,181
Grades 6-8	1,032,661	(27,400)	1,005,261	1,002,483	2,778
Grades 9-12	1,498,802	(2,700)	1,496,102	1,491,902	4,200
Regular Programs - Home Instruction					
Salaries of Teachers	12,000	1,000	13,000	9,916	3,084
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	200,467	36,024	236,491	232,824	3,667
General Supplies	138,425	(8,446)	129,979	115,143	14,836
Textbooks	36,500	(13,000)	23,500	21,235	2,265
Total Regular Programs	4,839,110	(65,922)	4,773,188	4,739,969	33,219
Special Education - Instruction					
Learning and/or Language Disabilities					
Salaries of Teachers	250,022	16,200	266,222	260,140	6,082
Other Salaries for Instruction	164,664	37,200	201,864	200,354	1,510
General Supplies	3,600		3,600	3,600	
Textbooks	1,300	-	1,300	1,000	300
Total Learning and/or Language Disabilities	419,586	53,400	472,986	465,094	7,892
Resource Room/Resource Center					
Salaries of Teachers	547,741	500	548,241	547,359	882
General Supplies	2,600		2,600	2,407	193
Textbooks	1,350	-	1,350	454	896
Total Resource Room/Resource Center	551,691	500	552,191	550,220	1,971
Total Special Education - Instruction	971,277	53,900	1,025,177	1,015,314	9,863

**WALLINGTON BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Basic Skills/Remedial - Instruction					
Salaries of Teachers	\$ 154,070	\$ 39,000	\$ 193,070	\$ 170,808	\$ 22,262
Other Salaries for Instruction	14,541		14,541	14,541	-
General Supplies	3,000	-	3,000	1,256	1,744
Total Basic Skills/Remedial - Instruction	171,611	39,000	210,611	186,605	24,006
Bilingual Education - Instruction					
Salaries of Teachers	222,314	2,500	224,814	224,640	174
Purchased Professional-Educational Services	1,500		1,500		1,500
General Supplies	500	-	500	-	500
Total Bilingual Education - Instruction	224,314	2,500	226,814	224,640	2,174
Vocational Programs - Local - Instruction					
Salaries	23,972		23,972	23,972	-
General Supplies	500	-	500	-	500
Total Vocational Programs - Local - Instruction	24,472	-	24,472	23,972	500
School Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	65,234	500	65,734	61,342	4,392
Purchased Services	20,750	1,845	22,595	14,661	7,934
Supplies and Materials	10,200		10,200	6,918	3,282
Other Objects	9,500	-	9,500	6,533	2,967
Total School Sponsored Co/Extra Curricular Activities - Instruction	105,684	2,345	108,029	89,454	18,575
School Sponsored Athletics - Instruction					
Salaries	363,458		363,458	350,305	13,153
Purchased Services	31,781		31,781	31,125	656
Supplies and Materials	48,650	3,047	51,697	45,024	6,673
Other Objects	23,850	1,472	25,322	23,877	1,445
Total School Sponsored Athletics - Instruction	467,739	4,519	472,258	450,331	21,927
Before/After School Programs - Instruction					
Salaries	49,000		49,000	44,615	4,385
Supplies and Materials	5,000	-	5,000	3,846	1,154
Total Before/After School Program	54,000	-	54,000	48,461	5,539
Summer School - Instruction					
Salaries of Teachers	6,000	-	6,000	4,800	1,200
Total Summer School - Instruction	6,000	-	6,000	4,800	1,200
Other Instructional Programs - Instruction					
Salaries	12,000		12,000	10,650	1,350
Purchased Services	1,400		1,400	135	1,265
Supplies and Materials	700	-	700	459	241
Total Other Instructional Programs - Instruction	14,100	-	14,100	11,244	2,856
Total Instruction	6,878,307	36,342	6,914,649	6,794,790	119,859
Undistributed Expenditures- Instruction					
Tuition to Other LEAs - Special, Within the State-Special	1,926,294	32,520	1,958,814	1,829,947	128,867
Tuition to County Vocational School Districts-Reg.	128,412	9,000	137,412	136,764	648
Tuition to County Vocational School Districts-Special	137,025		137,025	130,500	6,525
Tuition to CSSD & Regional Day Schools	277,136	(49,950)	227,186	210,027	17,159
Tuition to Priv. Sch. - Disabled - Within State	518,351	(76,889)	441,462	422,732	18,730
Tuition - State Facilities	1,850	-	1,850	1,800	50
Total Undistributed Expenditures - Instruction	2,989,068	(85,319)	2,903,749	2,731,770	171,979

**WALLINGTON BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Attendance and Social Work					
Salaries	\$ 118,964		\$ 118,964	\$ 118,518	\$ 446
Other Purchased Services	150		150	6	144
Supplies and Materials	800	-	800	-	800
Total Attendance and Social Work	119,914	-	119,914	118,524	1,390
Health Services					
Salaries	220,336	\$ 200	220,536	220,437	99
Purchased Professional and Technical Services	22,000	2,214	24,214	20,123	4,091
Other Purchased Services	200		200		200
Supplies and Materials	6,000	-	6,000	5,775	225
Total Health Services	248,536	2,414	250,950	246,335	4,615
Speech, OT, PT and Related Services					
Salaries	85,178	(2,500)	82,678	80,991	1,687
Supplies and Materials	1,200	-	1,200	1,200	-
Total Speech, OT, PT and Related Services	86,378	(2,500)	83,878	82,191	1,687
Guidance					
Salaries of Other Professional Staff	258,953		258,953	256,501	2,452
Salaries of Secretarial and Clerical Assistants	57,550		57,550	57,550	-
Other Purchased Services	950		950	916	34
Supplies and Materials	32,550	(4,360)	28,190	23,549	4,641
Other Objects	3,000	(3,000)	-	-	-
Total Guidance	353,003	(7,360)	345,643	338,516	7,127
Child Study Teams					
Salaries of Other Professional Staff	240,700	(27,000)	213,700	212,920	780
Salaries of Secretarial and Clerical Assistants	19,463	19,000	38,463	38,462	1
Other Salaries	75,274		75,274	75,274	-
Purchased Professional-Educational Services	3,500	(600)	2,900	20	2,880
Miscellaneous Purchased Services	2,300		2,300	582	1,718
Supplies and Materials	4,600		4,600	3,098	1,502
Other Objects	950	-	950	843	107
Total Child Study Teams	346,787	(8,600)	338,187	331,199	6,988
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	144,175	10,854	155,029	154,879	150
Salaries of Other Professional Staff	5,000		5,000	2,480	2,520
Salaries of Secretarial and Clerical Assistants	132,971	6,322	139,293	137,857	1,436
Other Purchased Services	1,700		1,700	198	1,502
Supplies and Materials	500	-	500	-	500
Total Improvement of Instructional Services	284,346	17,176	301,522	295,414	6,108
Educational Media Services/School Library					
Salaries	146,579	100	146,679	143,300	3,379
Other Purchased Services	600		600	266	334
Supplies and Materials	40,700	6,600	47,300	44,853	2,447
Total Educational Media Services/School Library	187,879	6,700	194,579	188,419	6,160
Instructional Staff Training Services					
Salaries of Supervisors of Instruction	23,000		23,000	23,000	
Other Purchased Services	3,000	-	3,000	779	2,221
Total Instructional Staff Training Services	26,000	-	26,000	23,779	2,221

**WALLINGTON BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Support Services - General Administration					
Salaries	\$ 228,804	\$ 22,000	\$ 250,804	\$ 249,842	\$ 962
Legal Services	5,000	(5,000)			-
Audit Fees	25,000		25,000	23,115	1,885
Other Purchased Professional Services	1,000	(1,000)			-
Communications/Telephone	73,000	5,600	78,600	77,533	1,067
Miscellaneous Purchased Services	18,500	8,900	27,400	17,170	10,230
General Supplies	7,000		7,000	6,323	677
Miscellaneous Expenditures	31,000	(20,599)	10,401	8,381	2,020
Total Support Services General Administration	389,304	9,901	399,205	382,364	16,841
Support Services - School Administration					
Salaries of Principals/Asst. Principals/Prog. Director	240,722		240,722	240,721	1
Salaries of Other Professional Staff	139,899		139,899	139,898	1
Salaries of Secretarial and Clerical Assistants	101,728	300	102,028	101,728	300
Other Purchased Services	9,275		9,275	5,531	3,744
Supplies and Materials	17,000	500	17,500	13,393	4,107
Total Support Services School Administration	508,624	800	509,424	501,271	8,153
Central Services					
Salaries	308,944		308,944	306,531	2,413
Purchased Technical Services	13,000	4,625	17,625	9,724	7,901
Misc. Purchased Services	32,100	7,500	39,600	25,059	14,541
Supplies and Materials	8,400		8,400	8,290	110
Miscellaneous Expenditures	10,000	-	10,000	9,975	25
Total Central Services	372,444	12,125	384,569	359,579	24,990
Admin. Info. Tech.					
Salaries	105,454		105,454	105,454	-
Supplies and Materials	600	200	800	598	202
Total Admin. Info. Tech.	106,054	200	106,254	106,052	202
Required Maintenance For School Facilities					
Cleaning, Repair, and Maintenance Services	107,922	28,948	136,870	101,804	35,066
General Supplies	60,500	(3,440)	57,060	8,803	48,257
Total Required Maintenance For School Facilities	168,422	25,508	193,930	110,607	83,323
Custodial Services					
Salaries	363,800	(26,000)	337,800	330,275	7,525
Purchased Professional and Technical Services	5,000	2,500	7,500		7,500
Cleaning, Repair, and Maintenance Services	261,050	5,119	266,169	254,932	11,237
Rental of Land and Buildings	35,000	312,303	347,303	294,023	53,280
Insurance	155,000	(35,000)	120,000	119,431	569
Miscellaneous Purchased Services	28,500	(1,500)	27,000	21,691	5,309
Energy (Electricity)	288,000	26,000	314,000	270,906	43,094
Other Objects	2,200	-	2,200	1,700	500
Total Custodial Services	1,138,550	283,422	1,421,972	1,292,958	129,014
Care and Upkeep of Grounds					
Salaries	14,000	(14,000)			-
Cleaning, Repair, and Maintenance Services	77,500	49,200	126,700	122,314	4,386
General Supplies	6,000	(6,000)	-	-	-
Total Care and Upkeep of Grounds	97,500	29,200	126,700	122,314	4,386

**WALLINGTON BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Security					
Cleaning, Repair and Maintenance Services	\$ 16,500	-	\$ 16,500	\$ 8,147	\$ 8,353
Total Security	16,500	-	16,500	8,147	8,353
Student Transportation Services					
Contract Svcs. (Other than Home and School)-Vendors	60,450		60,450	50,010	10,440
Contract Svcs. (Between Home and School)-Joint Agmnts	41,500	\$ (7,800)	33,700	33,088	612
Contracted Services (Spec. Ed. Students) - Joint Agmnts	374,500	(38,200)	336,300	274,837	61,463
Total Student Transportation Services	476,450	(46,000)	430,450	357,935	72,515
Regular Programs - Instruction -Employee Benefits					
Social Security Contributions	30,000	(2,000)	28,000	27,502	498
Other Retirement Contributions- PERS	16,000		16,000	16,000	-
Workman's Compensation	22,000		22,000	22,000	-
Health Benefits	883,500	(16,000)	867,500	692,700	174,800
Tuition Reimbursement	16,000		16,000	16,000	-
Other Employee Benefits	25,000	-	25,000	14,203	10,797
Total Reg. Prog. - Instruction -Employee Benefits	992,500	(18,000)	974,500	788,405	186,095
Special Programs - Instruction -Employee Benefits					
Social Security Contributions	3,200		3,200	1,602	1,598
Workman's Compensation	9,000		9,000	9,000	-
Health Benefits	269,500		269,500	269,500	-
Other Employee Benefits	1,700	-	1,700	-	1,700
Total Spec. Prog. - Instruction -Employee Benefits	283,400	-	283,400	280,102	3,298
Vocational Programs -Instruction -Employee Benefits					
Health Benefits	39,300	-	39,300	39,300	-
Total Voc. Prog. - Instruction -Employee Benefits	39,300	-	39,300	39,300	-
Other Instr. Programs -Instruction -Employee Benefits					
Social Security Contributions	37,500	2,000	39,500	39,142	358
Workman's Compensation	6,000		6,000	6,000	-
Health Benefits	40,850	-	40,850	40,850	-
Total Other Instr. Prog. - Instruction -Employee Ben.	84,350	2,000	86,350	85,992	358
Attendance and Social Work -Employee Benefits					
Social Security Contributions	5,700		5,700	4,262	1,438
Other Retirement Contributions- PERS	9,750		9,750	9,750	-
Health Benefits	34,925		34,925	34,925	-
Other Employee Benefits	2,500	(2,500)	-	-	-
Total Attendance and Social Work -Employee Ben.	52,875	(2,500)	50,375	48,937	1,438
Health Services -Employee Benefits					
Social Security Contributions	2,600		2,600	1,140	1,460
Other Retirement Contributions- PERS	6,750		6,750	6,750	-
Health Benefits	73,900	-	73,900	73,900	-
Total Health Services -Employee Benefits	83,250	-	83,250	81,790	1,460

**WALLINGTON BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Other Support Services - Guidance - Employee Benefits					
Social Security Contributions	\$ 2,400		\$ 2,400	\$ 761	\$ 1,639
Other Retirement Contributions - PERS	5,400		5,400	5,400	
Health Benefits	155,200	-	155,200	155,200	-
Total Other Support Services - Students - Regular - Employee Benefits	163,000	-	163,000	161,361	1,639
Other Support Services - Child Study Team - Employee Benefits					
Social Security Contributions	5,200		5,200	2,955	2,245
Other Retirement Contributions - PERS	7,500		7,500	7,500	
Health Benefits	145,400		145,400	145,400	
Other Employee Benefits	2,500	\$ (2,500)	-	-	-
Total Other Support Services - Students - Special - Employee Benefits	160,600	(2,500)	158,100	155,855	2,245
Improvement of Instruction Services - Employee Benefits					
Social Security Contributions	16,800		16,800	12,492	4,308
Health Benefits	112,400		112,400	112,394	6
Tuition Reimbursement	3,000	-	3,000	-	3,000
Total Improvement of Instruction Services - Employee Benefits	132,200	-	132,200	124,886	7,314
Educational Media Services - School Library - Employee Benefits					
Social Security Contributions	5,200		5,200	462	4,738
Other Retirement Contributions - PERS	2,650	(2,650)	-	-	-
Health Benefits	95,200		95,200	95,200	
Other Employee Benefits	5,500	(5,500)	-	-	-
Total Educational Media Services - School Library - Employee Benefits	108,550	(8,150)	100,400	95,662	4,738
Support Services - General Administration - Employee Benefits					
Social Security Contributions	14,500		14,500	5,762	8,738
Other Retirement Contributions - PERS	4,700		4,700	4,700	
Health Benefits	41,725	-	41,725	41,725	-
Total Support Services - General Administration - Employee Benefits	60,925	-	60,925	52,187	8,738
Support Services - School Administration - Employee Benefits					
Social Security Contributions	16,300		16,300	12,796	3,504
Other Retirement Contributions - PERS	26,500		26,500	26,500	
Health Benefits	134,000		134,000	134,000	
Tuition Reimbursement	3,000	-	3,000	-	3,000
Total Support Services - School Administration - Employee Benefits	179,800	-	179,800	173,296	6,504
Support Services - Central Services - Employee Benefits					
Social Security Contributions	17,400		17,400	10,049	7,351
Other Retirement Contributions - PERS	22,000		22,000	22,000	
Health Benefits	76,050	-	76,050	76,050	-
Total Support Services - Central Services - Employee Benefits	115,450	-	115,450	108,099	7,351

**WALLINGTON BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Support Services -Admin. Info Tech. - Employee Benefits					
Social Security Contributions	\$ 11,500		\$ 11,500	\$ 9,903	\$ 1,597
Other Retirement Contributions- PERS	14,500		14,500	14,500	-
Health Benefits	28,900	-	28,900	28,900	-
Total Support Services -Admin, Info, Tech. - Employee Benefits	54,900	-	54,900	53,303	1,597
Operation and Maintenance of Plant Services - Employee Benefits					
Social Security Contributions	44,000		44,000	25,619	18,381
Other Retirement Contributions- PERS	64,000	\$ (25,700)	38,300	38,210	90
Workman's Compensation	50,000	(6,500)	43,500	43,086	414
Health Benefits	215,100		215,100	215,100	-
Other Employee Benefits	27,000	(24,000)	3,000	3,000	-
Total Operation and Maintenance of Plant Services- Employee Benefits	400,100	(56,200)	343,900	325,015	18,885
On-Behalf TPAF - NCGI Premium (Non-Budget)				26,959	(26,959)
On-Behalf TPAF - Normal Cost (Non-Budget)				374,718	(374,718)
On-Behalf TPAF - Post-Retirement Medical (Non-Budget)				637,663	(637,663)
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	567,576	(567,576)
Total On-Behalf	-	-	-	1,606,916	(1,606,916)
Total Undistributed Expenditures	10,826,959	152,317	10,979,276	11,778,480	(799,204)
Total Expenditures - Current Expense	17,705,266	188,659	17,893,925	18,573,270	(679,345)
CAPITAL OUTLAY					
Equipment					
Grades 1-5	8,000	(8,000)	-	-	-
Grades 9-12	8,000	8,000	16,000	10,674	5,326
Undistributed Expenditures					
School Administration	10,000	-	10,000	10,000	-
Total Equipment	26,000	-	26,000	20,674	5,326
Facilities Acquisition and Construction Services					
Lease Purchase Agreement - Principal	125,000	-	125,000	125,000	-
Assessment for Debt Service on SDA Funding	32,158	-	32,158	32,158	-
Total Facilities Acquisition and Construction Services	157,158	-	157,158	157,158	-
Assets Acquired Through Insurance Recovery (Non-Budgeted)					
Equipment	-	-	-	81,645	(81,645)
Construction Services	-	-	-	2,539,442	(2,539,442)
Assets Acquired Through Insurance Recovery (Non-Budget)	-	-	-	2,621,087	(2,621,087)
Interest Deposit to Capital Reserve	1	-	1	-	1
Total Capital Outlay	183,159	-	183,159	2,798,919	(2,615,760)
Transfer of Funds to Charter Schools	164,925	22,000	186,925	186,492	433
Total Expenditures	18,053,350	210,659	18,264,009	21,558,681	(3,294,672)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(634,361)	(210,659)	(845,020)	(2,395,248)	(1,550,228)

**WALLINGTON BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments/ Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CAPITAL OUTLAY (Continued)					
Other Financing Sources (Uses)					
Insurance Recovery Related to Capital Assets				\$ 2,621,087	\$ 2,621,087
Capital Reserve Transfer to Capital Projects	-	\$ (959)	\$ (959)	(959)	-
Total Other Financing Sources (Uses)	-	(959)	(959)	2,620,128	2,621,087
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ (634,361)	(211,618)	(845,979)	224,880	1,070,859
Fund Balances, Beginning of Year	1,950,663	-	1,950,663	1,950,663	-
Fund Balances, End of Year	<u>\$ 1,316,302</u>	<u>\$ (211,618)</u>	<u>\$ 1,104,684</u>	<u>\$ 2,175,543</u>	<u>\$ 1,070,859</u>
Reconciliation to Governmental Fund Statements (GAAP):					
Restricted					
Excess Surplus				\$ 745,190	
Excess Surplus, Designated for Subsequent Year's Expenditures				489,532	
Capital Reserve				151,000	
Assigned - Encumbrances				132,468	
Assigned - Designated for Subsequent Year's Expenditures				245,468	
Assigned - ARRA/SEMI - Designated for Subsequent Year's Expenditures				4,840	
Unassigned				<u>407,045</u>	
Total				2,175,543	
State Aid Not recognized on GAAP Basis				<u>(469,755)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 1,705,788</u>	

WALLINGTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State Sources	\$ 55,910	\$ (55,910)			
Federal Sources	484,079	48,166	\$ 532,245	\$ 530,857	\$ 1,388
Local Sources	-	5,250	5,250	5,250	-
Total Revenues	539,989	(2,494)	537,495	536,107	1,388
EXPENDITURES					
Instruction					
Salaries of Teachers	195,188	(48,300)	146,888	145,500	1,388
Other Salaries	2,950	226	3,176	3,176	-
Purchased Professional and Technical Services		6,308	6,308	6,308	-
Other Purchased Services	2,000	(300)	1,700	1,700	-
Tuition	230,600	37,008	267,608	267,608	-
General Supplies	6,777	29,872	36,649	36,649	-
Textbooks	9,000	(9,000)	-	-	-
Total Instruction	446,515	15,814	462,329	460,941	1,388
Support Services					
Salaries - Other Professional Staff	10,200	6,626	16,826	16,826	-
Salaries - Secretarial & Clerical	19,400	(19,400)	-	-	-
Personal Services Employee-Benefits	51,874	(11,504)	40,370	40,370	-
Purchased Professional - Educational Services		11,036	11,036	11,036	-
Other Purchased Services	12,000	(8,000)	4,000	4,000	-
General Supplies	-	2,934	2,934	2,934	-
Total Support Services	93,474	(18,308)	75,166	75,166	-
Total Expenditures	539,989	(2,494)	537,495	536,107	1,388
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**WALLINGTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund		Special Revenue Fund	
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1	\$ 19,163,433	C-2	\$ 536,107
Difference - Budget to GAAP:				
State Aid payment recognized for GAAP purpose not recognized for Budgetary statements (2013/2014 State Aid)		457,013		
State Aid payment recognized for budgetary purpose not recognized for GAAP statements (2014/2015 State Aid)		<u>(469,755)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	B-2	<u>\$ 19,150,691</u>	B-2	<u>\$ 536,107</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1	<u>\$ 21,558,681</u>	C-2	<u>\$ 536,107</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	<u>\$ 21,558,681</u>	B-2	<u>\$ 536,107</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**WALLINGTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

**PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Two Fiscal Years ***

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.07486 %	0.07490 %
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 3,436,422</u>	<u>\$ 3,639,518</u>
District's Covered-Employee Payroll	<u>\$ 1,237,529</u>	<u>\$ 1,281,731</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	278%	284%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**WALLINGTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

**PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Two Fiscal Years**

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 151,310	\$ 163,816
Contributions in Relation to the Contractually Required Contributions	<u>151,310</u>	<u>163,816</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered- Employee Payroll	<u>\$ 1,237,529</u>	<u>\$ 1,281,731</u>
Contributions as a Percentage of Covered-Employee Payroll	12.23%	12.78%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**WALLINGTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

**TEACHERS PENSION AND ANNUITY FUND
Last Two Fiscal Years ***

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 40,013,154</u>	<u>\$ 37,858,805</u>
Total	<u>\$ 40,013,154</u>	<u>\$ 37,858,805</u>
District's Covered-Employee Payroll	<u>\$ 7,277,921</u>	<u>\$ 7,387,611</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

* The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**WALLINGTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Change of Benefit Terms:

None.

Change of Assumptions:

The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

WALLINGTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	N.C.L.B.			L.D.E.A.		L.D.E.A.		Total	
	Title I	Title IIA	Title III	Basic	PreSchool	E-1A	Total	Total	2015
REVENUES									
Intergovernmental									
State									
Federal	\$ 208,459	\$ 37,171	\$ 14,619	\$ 264,692	\$ 5,916	\$ 5,250	\$ 530,857		
Local	-	-	-	-	-	-	5,250		
Total Revenues	\$ 208,459	\$ 37,171	\$ 14,619	\$ 264,692	\$ 5,916	\$ 5,250	\$ 536,107		
EXPENDITURES									
Instruction									
Salaries of Teachers	\$ 136,000		\$ 9,500				\$ 145,500		
Other Salaries	3,176						3,176		
Purchased Professional and Technical Services	6,000		308				6,308		
Other Purchased Services	200		250			\$ 1,250	1,700		
Tuition									
General Supplies	27,558		2,091	\$ 261,692	\$ 5,916	-	267,608		
Textbooks	-	-	-	3,000	-	4,000	36,649		
Total Instruction	172,934	-	12,149	264,692	5,916	5,250	460,941		
Support Services									
Salaries - Other Professional Staff	\$ 16,826					-	16,826		
Salaries - Secretarial & Clerical						-	-		
Personal Services Employee-Benefits	33,525	4,375	2,470			-	40,370		
Purchased Professional - Educational Services		11,036				-	11,036		
Other Purchased Services	2,000	2,000				-	4,000		
General Supplies	-	2,934	-			-	2,934		
Total Support Services	35,525	37,171	2,470			-	75,166		
Total Expenditures	\$ 208,459	\$ 37,171	\$ 14,619	\$ 264,692	\$ 5,916	\$ 5,250	\$ 536,107		

WALLINGTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BCUA Environ. Awareness	WEA Pride Grant	Total Exhibit E-1a
REVENUES			
Intergovernmental			
State	\$ 3,000	\$ 2,250	\$ 5,250
Federal			
Local			
Total Revenues	\$ 3,000	\$ 2,250	\$ 5,250
EXPENDITURES			
Instruction			
Salaries of Teachers			
Other Salaries			
Purchased Professional and Technical Services			
Other Purchased Services		\$ 1,250	\$ 1,250
Tuition			
General Supplies	\$ 3,000	1,000	4,000
Textbooks	-	-	-
Total Instruction	3,000	2,250	5,250
Support Services			
Salaries - Other Professional Staff			-
Salaries - Secretarial & Clerical			-
Personal Services Employee-Benefits			-
Purchased Professional - Educational Services			-
Other Purchased Services			-
General Supplies	-	-	-
Total Support Services	-	-	-
Total Expenditures	\$ 3,000	\$ 2,250	\$ 5,250

**WALLINGTON BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID PROGRAM AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This Schedule is Not Applicable

CAPITAL PROJECTS FUND

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**WALLINGTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues and Other Financing Sources

Other Financing Sources

Bond Proceeds	\$ 2,617,000
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Total Revenues	<u>2,617,000</u>
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Expenditures

Legal Fees	23,117
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Purchased Professional and Technical Services	177,401
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Construction Services	<u>2,135,902</u>
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Total Expenditures	<u>2,336,420</u>
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Excess of Revenues Over Expenditures	<u>280,580</u>
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Other Financing Sources (Uses)

Transfers In	<u>959</u>
--------------	------------

Total Other Financing Sources (Uses)	<u>959</u>
--------------------------------------	------------

Net Changes in Fund Balance	281,539
-----------------------------	---------

Fund Balance- Beginning- Budgetary Basis	<u>1,473,838</u>
--	------------------

Fund Balance- Ending- Budgetary Basis	<u>\$ 1,755,377</u>
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Budgetary Fund Balance at June 30, 2015	\$	1,755,377
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Less: Unearned Revenue		<u>605,391</u>
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GAAP Fund Balance at June 30, 2015	\$	<u>1,149,986</u>
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**WALLINGTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
WALLINGTON JUNIOR AND SENIOR HIGH SCHOOL EXTERIOR SYSTEMS REPAIR AND RESTORATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 1,473,838	\$	1,473,838	\$ 1,473,838
Bond Proceeds	-	2,210,000	2,210,000	2,210,000
Capital Reserve	-	757	757	757
Total Revenues and Other Financing Sources	1,473,838	2,210,757	3,684,595	3,684,595
Expenditures and Other Financing Uses				
Legal Services		17,526	17,526	30,795
Purchased Professional and Technical Services		158,196	158,196	187,400
Construction Services	-	1,995,397	1,995,397	3,466,400
Total Expenditures and Other Financing Uses	-	2,171,119	2,171,119	3,684,595
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 1,473,838	\$ 39,638	\$ 1,513,476	\$ -

Additional Project Information:

Project Number	#5430-050-14-1001
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	\$ 2,210,757
Bonds Issued	\$ 2,210,000
SDA Grant Authorized	\$ 1,473,838
Capital Reserve	757
Original Authorized Cost	\$ 3,684,595
Increase/(Decrease)	
Revised Authorized Cost	\$ 3,684,595

Percentage Increase Over Original

Authorized Cost 0.00%

Percentage Completion

41.08%

Original Target Completion Date

June 30, 2015

Revised Completion Date

June 30, 2016

WALLINGTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
FRANK W. GAVLAK SCHOOL DOOR REPLACEMENT AND PAINTING PROJECTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	-	\$ 407,000	\$ 407,000	\$ 407,000
Capital Reserve	-	202	202	202
Total Revenues and Other Financing Sources	-	407,202	407,202	407,202
Expenditures and Other Financing Uses				
Legal Services	-	5,591	5,591	5,600
Purchased Professional and Technical Services	-	19,205	19,205	21,350
Construction Services	-	140,505	140,505	380,252
Total Expenditures and Other Financing Uses	-	165,301	165,301	407,202
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 241,901	\$ 241,901	\$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	\$ 407,202
Bonds Issued	\$ 407,000
SDA Grant Authorized	N/A
Capital Reserve	202
Original Authorized Cost	\$ 407,202
Increase/(Decrease)	
Revised Authorized Cost	\$ 407,202

Percentage Increase Over Original
Authorized Cost
0.00%
40.59%
Percentage Completion
Original Target Completion Date
June 30, 2015
Revised Completion Date
June 30, 2016

PROPRIETARY FUNDS

NOT APPLICABLE

FIDUCIARY FUNDS

**WALLINGTON BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 84,631	\$ 21,381	\$ 106,012
Total Assets	<u>\$ 84,631</u>	<u>\$ 21,381</u>	<u>\$ 106,012</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 4,835	\$ 4,835
Accrued Salaries and Wages		1,000	1,000
Due to Other Funds		15,546	15,546
Due to Student Groups	\$ 84,631	<u>-</u>	<u>84,631</u>
Total Liabilities	<u>\$ 84,631</u>	<u>\$ 21,381</u>	<u>\$ 106,012</u>

**WALLINGTON BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

**WALLINGTON BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2015</u>
<u>ELEMENTARY SCHOOLS</u>				
General Office	\$ 7,667	\$ 12,780	\$ 14,852	\$ 5,595
Total Elementary Schools	<u>7,667</u>	<u>12,780</u>	<u>14,852</u>	<u>5,595</u>
<u>HIGH SCHOOL</u>				
High School	71,810	86,182	83,370	74,622
High School Athletic	<u>617</u>	<u>54,537</u>	<u>50,740</u>	<u>4,414</u>
Total High School	<u>72,427</u>	<u>140,719</u>	<u>134,110</u>	<u>79,036</u>
Total All Schools	<u>\$ 80,094</u>	<u>\$ 153,499</u>	<u>\$ 148,962</u>	<u>\$ 84,631</u>

**WALLINGTON BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2015</u>
ASSETS				
Cash	\$ 79,230	\$ 10,521,918	\$ 10,579,767	\$ 21,381
Total Assets	<u>\$ 79,230</u>	<u>\$ 10,521,918</u>	<u>\$ 10,579,767</u>	<u>\$ 21,381</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 2,873	\$ 4,742,281	\$ 4,740,319	\$ 4,835
Due to Other Funds	75,357	21,279	81,090	15,546
Accrued Salaries and Wages	<u>1,000</u>	<u>5,758,358</u>	<u>5,758,358</u>	<u>1,000</u>
Total Liabilities	<u>\$ 79,230</u>	<u>\$ 10,521,918</u>	<u>\$ 10,579,767</u>	<u>\$ 21,381</u>

EXHIBIT I-1

WALLINGTON BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Source	Date of Bond	Amount of Original Bond	Annual Maturities Date	Interest Rate	Balance, July 1, 2014	Issued	Retired	Balance, June 30, 2015
2005 School Bonds	5/15/2005	\$ 3,673,000			\$ 2,383,000		\$ 2,383,000	
2014 School Bonds	8/15/2014	2,617,000	8/15/2016 130,000 8/15/2017 135,000 8/15/2018-2019 140,000 8/15/2020-2021 145,000 8/15/2022 155,000 8/15/2023 165,000 8/15/2024 170,000 8/15/2025-2028 260,000 8/15/2029 252,000	2.00 2.00 2.00 2.00 2.25 3.00 3.00 3.00 3.00	%			\$ 2,617,000
2015 School Refunding Bonds	5/15/2015	2,060,000	5/15/2016 175,000 5/15/2017 185,000 5/15/2018 190,000 5/15/2019 200,000 5/15/2020 205,000 5/15/2021 215,000 5/15/2022-2023 225,000 5/15/2024-2025 220,000	3.00 3.00 4.00 4.00 4.00 4.00 4.00				2,060,000
					\$ 2,383,000	\$ 4,677,000	\$ 2,383,000	\$ 4,677,000
					Budget Appropriation \$ 180,000	Refunded 2,203,000		\$ 2,383,000

EXHIBIT I-2

WALLINGTON BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF CAPITAL LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2014</u>	<u>Retirements</u>	<u>Balance, June 30, 2015</u>
Temporary Classroom Units (2)	N/A	\$ 82,000	\$ 36,801	\$ 21,555	\$ 15,246
			<u>\$ 36,801</u>	<u>\$ 21,555</u>	<u>\$ 15,246</u>

WALLINGTON BOARD OF EDUCATION
LONG-TERM DEBT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 278,657	\$ -	\$ 278,657	\$ 278,657	\$ 1,342
Miscellaneous	-	-	-	1,342	1,342
Total Revenues	278,657	-	278,657	279,999	1,342
EXPENDITURES					
Regular Debt Service					
Principal	180,000		180,000	180,000	
Interest	98,658		98,658	70,334	28,324
Cost of Issuance on Refunding Bonds	-	-	-	62,101	(62,101)
Total Regular Debt Service	278,658	-	278,658	312,435	(33,777)
Total Expenditures	278,658	-	278,658	312,435	(33,777)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1)	-	(1)	(32,436)	(32,435)
OTHER FINANCING SOURCES (USES)					
Payments of Refunding Escrow Agent				(2,248,616)	(2,248,616)
Refunding Bond Proceeds	-	-	-	2,060,000	2,060,000
Premium on Issuance of Refunding	-	-	-	222,417	222,417
Total Other Financing Sources (Uses)	-	-	-	33,801	33,801
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(1)	-	(1)	1,365	1,366
Fund Balance, Beginning of Year	2	-	2	2	-
Fund Balance, End of Year	1	\$ -	\$ 1	\$ 1,367	\$ 1,366
Recapitulation of Balance					
Designated for Subsequent Years Expenditures			\$ -	1	
Available for Subsequent Years Expenditures				1,366	
				\$ -	\$ 1,367

STATISTICAL SECTION

This part of the Wallington Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

WALLINGTON BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
						Restated			Restated	
Governmental Activities										
Net Investments in Capital Assets	\$ 416,747	\$ 1,052,778	\$ 1,682,307	\$ 3,021,899	\$ 3,166,711	\$ 2,811,814	\$ 4,528,582	\$ 4,434,883	\$ 4,632,377	\$ 7,732,294
Restricted	117,288	121,452	111,177	449,401	453,271	2,141,050	566,237	605,048	276,961	152,367
Unrestricted	1,199,534	849,370	876,509	686,233	(231,103)	63,987	321,316	443,528	(2,386,071)	(2,622,034)
Total Governmental Activities Net Assets	\$ 1,733,569	\$ 2,023,600	\$ 2,669,993	\$ 4,157,533	\$ 3,388,879	\$ 5,016,851	\$ 5,410,135	\$ 5,483,459	\$ 2,072,267	\$ 5,262,627
Business-Type Activities										
Net Investments in Capital Assets	\$ 5,274	\$ 3,516	\$ 1,758				\$ 14,074	\$ 10,556	\$ 7,037	\$ 5,521
Unrestricted	15,337	25,924	34,360	\$ 38,472	\$ 48,766	\$ 31,455	27,598	39,286	41,767	41,849
Total Business-Type Activities Net Assets	\$ 20,611	\$ 29,440	\$ 36,118	\$ 38,472	\$ 48,766	\$ 31,455	\$ 41,672	\$ 49,842	\$ 48,804	\$ 47,370
District-Wide										
Net Investments in Capital Assets	\$ 422,021	\$ 1,056,294	\$ 1,684,065	\$ 3,021,899	\$ 3,166,711	\$ 2,811,814	\$ 4,542,656	\$ 4,445,439	\$ 4,639,414	\$ 7,737,815
Restricted	117,288	121,452	111,177	449,401	453,271	2,141,050	566,237	605,048	276,961	152,367
Unrestricted	1,214,871	875,294	910,869	724,705	(182,337)	95,442	348,914	482,814	(2,844,304)	(2,580,185)
Total District Net Position	\$ 1,754,180	\$ 2,053,040	\$ 2,706,111	\$ 4,196,005	\$ 3,437,645	\$ 5,048,306	\$ 5,451,807	\$ 5,533,301	\$ 2,072,071	\$ 5,309,997

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65.

"Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

**WALLINGTON BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**
(Unaudited)
(actual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 6,018,655	\$ 6,400,175	\$ 6,442,433	\$ 6,360,121	\$ 7,311,570	\$ 6,256,489	\$ 6,331,728	\$ 6,579,764	\$ 6,579,762	\$ 7,887,718
Special Education	2,258,449	2,376,589	2,535,201	2,338,684	2,887,407	2,953,540	3,265,896	3,752,065	4,126,054	4,538,128
Other Instruction	545,771	602,429	680,626	602,429	761,544	503,974	575,469	1,070,112	924,120	1,068,931
School Sponsored Activities And Athletics	531,665	593,164	600,271	549,804	541,369	737,272	874,892	712,146	705,709	885,039
Support Services:										
Tuition	1,553,947	1,839,964	1,897,217	2,251,919	2,313,938	2,077,851	2,251,933	2,438,295	2,438,693	2,694,185
Student & Instruction Related Services	660,190	659,615	683,154	692,139	689,155	708,956	737,532	768,721	730,501	797,674
School Administration Services	394,094	436,122	431,607	473,699	426,646	482,413	482,413	593,031	575,423	645,645
General Administration	1,321,352	1,371,486	1,600,648	1,626,013	1,811,108	1,632,319	1,921,729	1,995,223	2,124,910	2,374,084
Plant Operations And Maintenance	275,795	337,234	334,704	369,442	395,153	452,642	312,217	408,374	455,053	357,955
Pupil Transportation	534,026	536,959	558,530	507,227	524,048	778,885	587,844	595,134	612,699	626,560
Central Services	163,480	157,629	151,048	144,436	137,289	128,880	121,669	120,091	108,278	121,478
Interest On Long-Term Debt	14,256,764	15,335,396	15,935,839	15,951,596	17,646,780	16,637,434	17,523,332	19,043,394	19,371,202	21,968,377
Total Governmental Activities Expenses	24,473,537	26,432,800	26,536,900	26,536,900	29,922,691	29,922,691	29,922,691	33,334,644	33,334,644	33,334,644
Business-Type Activities										
Food Service	\$ 94,715	\$ 100,987	\$ 107,815	\$ 121,517	\$ 129,128	\$ 160,846	\$ 144,108	\$ 142,692	\$ 135,352	\$ 144,807
Total Business-Type Activities Expense	94,715	100,987	107,815	121,517	129,128	160,846	144,108	142,692	135,352	144,807
Total District Expenses	\$ 24,568,252	\$ 26,533,787	\$ 26,644,715	\$ 26,658,417	\$ 30,051,819	\$ 30,083,537	\$ 30,066,800	\$ 33,477,336	\$ 33,470,996	\$ 33,479,451
Program Revenues										
Governmental Activities										
Charges For Services	\$ 2,313,482	\$ 2,624,900	\$ 2,596,719	\$ 2,408,334	\$ 3,166,687	\$ 2,605,705	\$ 2,794,314	\$ 3,140,690	\$ 3,140,690	\$ 4,889,624
Operating Grants And Contributions	34,175	365,291	476,723	1,302,712	1,284,586	1,481,024	-	178,119	225,955	3,489,534
Capital Grants And Contributions	2,947,337	2,992,691	3,073,442	3,611,046	3,291,273	4,086,729	2,582,419	3,426,021	3,334,644	8,527,356
Total Governmental Activities Program Revenues	\$ 5,294,994	\$ 5,982,882	\$ 6,146,884	\$ 7,321,092	\$ 7,742,546	\$ 8,173,458	\$ 5,376,733	\$ 6,744,830	\$ 6,501,295	\$ 16,906,514
Business-Type Activities										
Charges For Services	26,442	24,017	29,453	37,879	37,485	34,989	34,644	24,691	21,552	23,034
Food Service	63,970	74,682	79,128	80,764	101,511	108,280	119,681	124,171	112,762	120,539
Operating Grants And Contributions	90,112	96,629	108,581	118,643	138,996	143,249	154,525	150,862	134,314	143,373
Total Business-Type Activities Program Revenues	\$ 178,524	\$ 195,328	\$ 216,162	\$ 237,286	\$ 278,002	\$ 286,518	\$ 308,850	\$ 305,724	\$ 268,630	\$ 266,946
Net (Expense)/Revenue	\$ (11,909,507)	\$ (12,343,105)	\$ (12,852,197)	\$ (12,340,350)	\$ (14,315,007)	\$ (12,550,725)	\$ (14,540,913)	\$ (15,617,373)	\$ (16,036,558)	\$ (13,441,041)
Governmental Activities	(4,603)	(4,288)	(3,666)	(2,874)	9,868	(17,577)	10,217	8,170	(1,038)	(1,434)
Business-Type Activities	(7,306)	(8,017)	(9,186)	(9,466)	(14,183)	(4,973)	(14,758)	(17,487)	(14,996)	(11,967)
Total District Wide Net Expense	\$ (11,913,910)	\$ (12,347,393)	\$ (12,861,631)	\$ (12,343,426)	\$ (14,345,129)	\$ (12,568,322)	\$ (14,530,696)	\$ (15,609,203)	\$ (16,037,596)	\$ (13,442,475)
General Revenues and Other Change in Net Assets										
Governmental Activities										
Property Taxes Levied For General Purposes, Net	\$ 9,759,629	\$ 10,278,587	\$ 11,041,074	\$ 11,381,012	\$ 11,575,416	\$ 12,276,482	\$ 12,550,106	\$ 13,126,129	\$ 13,616,563	\$ 14,078,890
Taxes Levied For Debt Service	326,531	310,991	297,019	309,767	308,800	313,271	311,696	314,937	312,763	278,657
Loss on Retirement of Capital Assets	2,457,602	1,707,264	(34,687)	2,053,223	1,592,163	(5,313)	2,041,106	2,184,324	2,244,933	2,278,096
Unrestricted State & Federal Aid	-	4,343	4,302	2,287	2,352	3,081	2,159	2,192	2,283	-
State Restricted	-	-	-	-	-	-	-	-	-	-
Donated Capital Assets	-	293,440	235,272	31,558	80,399	10,653	55	42	55	1,368
Interest Earned	153,315	50,711	49,875	55,243	27,223	105,661	47,095	58,073	39,489	43,390
Miscellaneous Income	(12,000)	(12,000)	(5,000)	(5,000)	-	-	-	-	-	-
Transfers	12,665,077	12,653,336	13,508,790	13,828,090	13,586,333	14,510,814	15,034,197	15,690,697	16,215,884	16,680,401
Total Governmental Activities	\$ 24,665,077	\$ 24,665,077	\$ 24,665,077	\$ 24,665,077	\$ 24,665,077	\$ 24,665,077	\$ 24,665,077	\$ 24,665,077	\$ 24,665,077	\$ 24,665,077
Business-Type Activities										
Investment Earnings	528	1,117	912	228	426	286	-	-	-	-
Transfers	12,000	12,000	5,000	5,000	-	-	-	-	-	-
Total Business-Type Activities	\$ 12,528	\$ 13,117	\$ 5,912	\$ 5,228	\$ 426	\$ 286	\$ -	\$ -	\$ -	\$ -
Total District-Wide	\$ 12,528	\$ 13,117	\$ 5,912	\$ 5,228	\$ 426	\$ 286	\$ -	\$ -	\$ -	\$ -
Change in Net Position	\$ 755,770	\$ 290,031	\$ 646,893	\$ 1,487,540	\$ (768,654)	\$ 1,960,089	\$ 395,284	\$ 72,324	\$ 179,326	\$ 3,239,360
Governmental Activities	7,925	8,829	6,678	2,154	10,294	(7,511)	10,217	8,170	(1,038)	(1,434)
Business-Type Activities	763,695	288,860	633,071	1,485,386	(758,948)	1,967,600	405,067	81,154	178,364	3,240,794
Total District	\$ 763,695	\$ 288,860	\$ 633,071	\$ 1,485,386	\$ (758,948)	\$ 1,967,600	\$ 405,067	\$ 81,154	\$ 178,364	\$ 3,239,926

**WALLINGTON BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,129,099	\$ 911,668	\$ 795,915	\$ 1,507,736	\$ 969,861	\$ 572,345	\$ 846,661	\$ 1,017,527	\$ 1,018,653	\$ 1,385,722
Unreserved	559,143	507,817	696,678	164,117	(121,087)	234,878			87,331	
Restricted						110,000	480,138	368,458	331,224	382,776
Committed						67,269	41,211	55,694	56,442	(62,710)
Assigned										
Unassigned										
Total General Fund	\$ 1,688,242	\$ 1,419,485	\$ 1,492,593	\$ 1,671,853	\$ 848,774	\$ 984,492	\$ 1,368,010	\$ 1,441,679	\$ 1,493,650	\$ 1,705,788
All Other Governmental Funds										
Reserved	\$ 906,134	\$ 229,889	\$ 3,166,716	\$ 567,604	\$ 157,136					
Unreserved	2,713,601	2,756,902	(823,476)	(28,006)	195,583					
Nonspendable						\$ 275,000				
Restricted						1,693,682	\$ 80,902	\$ 138,999	\$ 2	\$ 1,151,353
Total All Other Governmental Funds	\$ 3,619,735	\$ 2,986,791	\$ 2,343,240	\$ 559,598	\$ 352,719	\$ 1,968,682	\$ 80,902	\$ 138,999	\$ 2	\$ 1,151,353

Beginning with fiscal year 2011, the District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

WALLINGTON BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	\$10,066,160	\$10,589,578	\$11,338,093	\$11,690,779	\$11,884,216	\$12,580,753	\$12,941,802	\$13,441,066	\$13,929,126	\$14,357,547
Interest Earned	293,440	293,440	293,272	31,558	80,399	10,653	55	42	53	1,368
Miscellaneous	155,249	57,610	59,875	58,232	34,322	1,538,661	136,200	168,345	384,384	196,818
State Sources	4,126,493	4,203,479	4,577,304	5,202,505	3,756,414	3,832,555	4,206,050	4,953,385	4,666,274	5,717,448
Federal Sources	676,692	493,320	411,375	461,062	1,122,275	631,234	632,509	551,880	570,691	562,063
Total Revenue	15,024,534	15,637,427	16,621,919	17,444,136	16,877,626	18,602,856	17,916,616	19,116,718	19,550,528	20,835,244
Expenditures										
Instruction										
Regular Instruction	5,982,010	6,321,741	6,381,361	6,292,669	7,007,134	6,342,759	6,309,827	6,540,613	6,598,901	6,823,229
Special Education Instruction	2,257,436	2,373,485	2,532,171	2,355,036	2,677,595	2,966,392	3,260,322	3,755,367	4,130,095	4,338,755
Other Instruction	544,695	596,178	677,959	678,243	754,730	748,078	874,291	1,067,261	927,205	951,623
School Sponsored Activities and Athletics	531,115	589,467	598,528	549,804	541,369	503,974	573,098	710,166	708,639	755,386
Support Services:										
Student and Inst. Related Services	1,546,833	1,816,412	1,863,321	2,198,215	2,270,943	2,064,502	2,288,333	2,414,172	2,432,185	2,490,780
General Administration	390,921	431,557	444,667	486,682	468,454	421,662	478,559	591,504	576,998	522,303
School Administration Services	655,148	651,827	677,360	423,906	683,522	710,832	732,027	760,855	719,233	727,548
Plant Operations And Maintenance	1,300,722	1,322,882	1,544,290	1,573,347	1,758,441	1,364,810	1,571,284	1,604,324	1,728,063	1,835,498
Pupil Transportation	275,735	337,234	334,704	369,442	395,153	432,642	312,217	408,374	455,053	357,935
Central Services	531,908	530,963	553,836	504,873	522,698	777,074	587,017	592,854	615,305	623,049
Capital Outlay	144,704	1,218,050	1,264,367	3,115,271	494,509	185,917	2,118,695	271,734	406,187	4,981,559
Debt Service:										
Principal	150,527	156,483	162,477	168,530	174,599	201,662	191,960	228,388	229,707	201,555
Interest and Other Charges	165,121	158,849	152,321	145,500	138,417	131,071	123,248	121,340	109,983	72,322
Cost of Issuance on Refunding	-	-	-	-	-	-	-	-	-	62,101
Total Expenditures	14,476,875	16,527,128	17,187,362	19,063,518	17,887,584	16,851,175	19,420,878	19,066,952	19,657,554	24,743,643
Excess (Deficiency) of Revenues Over (Under) Expenditures	547,659	(889,701)	(565,443)	(1,619,382)	(1,009,958)	1,751,681	(1,504,262)	49,766	(87,026)	(3,908,399)
Other Financing Sources (Uses)										
Bond Proceeds										
Payments of Refunding Escrow Agent										2,617,000
Refunding Bond Proceeds										(2,248,616)
Premium on Issuance of Refunding										2,060,000
Insurance Recovery Related to Capital Assets										222,417
Capital Lease Proceeds										2,621,067
Transfers In										959
Transfers Out	(12,000)	(12,000)	(5,000)	(5,000)	-	(275,000)	-	-	(89,090)	(959)
Total Other Financing Sources (Uses)	(12,000)	(12,000)	(5,000)	(5,000)	-	-	-	82,000	-	5,271,888
Net Change in Fund Balances	\$ 535,659	\$ (901,701)	\$ (570,443)	\$ (1,624,382)	\$ (1,009,958)	\$ 1,751,681	\$ (1,504,262)	\$ 131,766	\$ (87,026)	\$ 1,363,489
Debt Service as a Percentage of Noncapital Expenditures	2.20%	2.06%	1.98%	1.97%	1.80%	2.00%	1.82%	1.86%	1.77%	1.70%

* Noncapital expenditures are total expenditures less capital outlay.

EXHIBIT J-5

WALLINGTON BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year Ended June 30,</u>	<u>Total</u>	<u>Interest on Investments</u>	<u>After School Program</u>	<u>Tuition Refunds</u>	<u>Prior Year Refunds</u>	<u>Prior Year Payables Adjustment</u>	<u>Miscellaneous</u>
2006	\$ 153,315	\$ 139,718			\$ 4,337		\$ 9,260
2007	344,151	293,440					50,711
2008	285,147	235,272					49,875
2009	86,801	31,558			\$ 24,380		30,863
2010	107,622	80,399			27,223		
2011	120,314	10,653		\$ 35,312	41,369	26,028	6,952
2012	135,255	55	\$ 88,104	33,506		6,866	6,724
2013	165,387	42	106,272	5,749		15,869	37,455
2014	153,232	53	113,690			5,035	34,454
2015	191,594	26	148,178			11,774	31,616

WALLINGTON BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2006	\$ 4,715,900	\$ 384,231,900	\$ 64,869,100	\$ 29,587,700	\$ 43,804,700	\$ 527,209,300	\$ 385,452	\$ 527,594,752	\$ 958,986,676	\$ 1.955
2007	6,491,400	385,742,700	65,152,700	29,627,700	43,770,700	530,785,200	341,845	531,127,045	1,102,554,908	2.065
2008 (A)	8,502,900	888,727,800	145,055,200	59,260,700	98,700,800	1,200,247,400	730,032	1,200,977,432	1,207,882,021	0.959
2009	11,335,200	886,606,200	143,724,900	59,539,900	98,700,800	1,199,907,000	730,032	1,200,637,032	1,228,156,856	0.980
2010	9,487,600	887,642,800	148,426,900	57,338,000	95,700,800	1,198,616,100	2,197,330	1,200,813,430	1,171,151,635	1.018
2011 (B)	9,168,300	791,951,800	146,005,700	56,072,700	94,712,200	1,097,910,700	1,776,329	1,099,687,029	1,109,847,490	1.161
2012	8,976,300	791,945,200	146,933,100	54,215,800	94,602,200	1,096,672,600	1,720,812	1,098,393,412	1,029,241,284	1.202
2013	8,204,900	792,903,900	145,658,500	53,706,300	94,602,200	1,095,075,800	1,730,632	1,096,806,432	1,003,993,152	1.252
2014 (C)	5,569,900	674,055,600	136,425,500	49,286,100	81,398,700	946,735,800	1,549,102	948,284,902	1,001,647,136	1.483
2015	6,229,100	671,310,500	132,900,200	49,336,100	81,632,500	941,408,400	1,730,632	943,139,032	962,087,386	1.579

Source: County Abstract of Ratables

Note: (A) A revaluation of real property became effective for tax year 2008.

(B) A reassessment of real property became effective for tax year 2011.

(C) A reassessment of real property became effective for tax year 2014

^a Tax rates are per \$100

**WALLINGTON BOARD OF EDUCATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)**

Assessment Year		<u>Total</u>	<u>Wallington School District</u>	<u>Wallington Borough</u> (A)	<u>Bergen County</u>
2006		\$ 3.370	\$ 1.955	\$ 1.083	\$ 0.332
2007		3.600	2.065	1.168	0.367
2008	(B)	1.691	0.959	0.544	0.188
2009		1.764	0.980	0.587	0.197
2010		1.837	1.018	0.627	0.192
2011	(C)	2.073	1.161	0.704	0.208
2012		2.133	1.202	0.723	0.208
2013		2.206	1.252	0.743	0.211
2014	(D)	2.596	1.483	0.878	0.235
2015		2.736	1.579	0.912	0.245

Note: (A) Includes Library tax.

Note: (B) The Borough undertook a revaluation of real property which became effective for the tax year 2008.

Note: (C) The Borough undertook a reassessment of real property which became effective for the tax year 2011.

Note: (D) The Borough undertook a reassessment of real property which became effective for the tax year 2014.

Source: Tax Duplicate

**WALLINGTON BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Mt Pleasant Village Investments LLC	\$ 26,500,000	2.81%	\$ 15,300,000	2.90%
Jasontown Apt. LLC	21,628,600	2.29%	12,000,000	2.27%
Jasontown II Associates	20,222,000	2.14%	6,900,000	1.31%
Farmland Dairies	17,913,800	1.90%	13,110,000	2.48%
Wallington Plaza LLC	13,200,000	1.40%	7,075,200	1.34%
PS Atlantic Coast, LLC	8,119,200	0.86%		
Meridia at Parkway, LLC	6,661,600	0.71%		
New Wallington Home LLC	5,592,500	0.59%		
480 Main Ave. Associates LLC	5,500,000	0.58%	2,975,000	0.56%
Wallington Ind. Dev. 2 Assoc. L.P.	5,347,200	0.57%		
Wallington Self Storage			3,763,700	0.71%
460 Main Ave Wallington LLC			2,980,000	0.56%
Woodbine St. Association			2,106,500	0.40%
Carlstadt - Moshen			2,185,000	0.41%
	<u>\$ 130,684,900</u>	<u>13.86%</u>	<u>\$ 68,395,400</u>	<u>12.94%</u>

Source: Municipal Tax Assessor

**WALLINGTON BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Local School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 10,066,160	\$ 10,066,160	100.00%	N/A
2007	10,589,578	10,589,578	100.00%	N/A
2008	11,338,093	11,338,093	100.00%	N/A
2009	11,690,779	11,690,779	100.00%	N/A
2010	11,884,216	11,884,216	100.00%	N/A
2011	12,589,753	12,589,753	100.00%	N/A
2012	12,941,802	12,941,802	100.00%	N/A
2013	13,441,066	13,441,066	100.00%	N/A
2014	13,929,126	13,929,126	100.00%	N/A
2015	14,357,547	14,357,547	100.00%	N/A

**WALLINGTON BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Governmental Activities</u>					
<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>EDA Loans Payable</u>	<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
2006	\$ 3,553,000	\$ 282,696	\$ 3,835,696	11,189	\$ 343
2007	3,428,000	251,213	3,679,213	11,230	328
2008	3,298,000	218,736	3,516,736	11,249	313
2009	3,163,000	185,205	3,348,205	11,310	296
2010	3,023,000	150,606	3,173,606	11,359	279
2011	2,873,000	114,856	2,987,856	11,448	261
2012	2,718,000	77,896	2,795,896	11,500	243
2013	2,553,000	39,632	2,592,632	11,568	224
2014	2,383,000		2,383,000	11,626	205
2015	4,677,000		4,677,000	11,626 E	402

Source: District records

E - Estimate

WALLINGTON BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Intergovern- mental Loans	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 3,553,000	\$ 282,696		\$ 3,835,696	0.73%	\$ 343
2007	3,428,000	251,213		3,679,213	0.69%	328
2008	3,298,000	218,736		3,516,736	0.29%	313
2009	3,163,000	185,205		3,348,205	0.28%	296
2010	3,023,000	150,606		3,173,606	0.26%	279
2011	2,873,000	114,856		2,987,856	0.27%	261
2012	2,718,000	77,896		2,795,896	0.25%	243
2013	2,553,000	39,632		2,592,632	0.24%	224
2014	2,383,000		\$ 2	2,382,998	0.25%	205
2015	4,677,000		1,367	4,675,633	0.50%	402

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**WALLINGTON BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
(Unaudited)**

	<u>Gross Debt</u>
Direct Debt: (1)	
Wallington Borough Public Schools	\$ 5,000,959
Borough of Wallington	<u>15,879,205</u>
	<u>20,880,164</u>
Overlapping Debt Apportioned to the Municipality:	
County of Bergen - Borough's Share (A)	5,565,811
Passaic Valley Sewerage Commission (B)	<u>1,379,937</u>
	<u>6,945,748</u>
Total Direct and Overlapping Debt	<u>\$ 27,825,912</u>

Source:

(1) Township's 2014 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough of Wallington by dividing the municipality's 2014 equalized value by the total 2014 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Borough's 2014 billings by the total 2014 billings of the Authority.

**WALLINGTON BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

Legal Debt Margin Calculation for Fiscal Year 2015

		Equalized valuation basis						
		2014	\$	961,055,527				
		2013		977,833,557				
		2012		998,427,349				
				<u>\$2,937,316,433</u>				
				<u>\$ 979,105,478</u>				
		Average equalized valuation of taxable property						
		Debt limit (4 % of average equalization value)						
		Total Net Debt Applicable to Limit						
		Legal debt margin						
		<u>a</u>						
		<u>39,164,219</u>						
		<u>4,677,000</u>						
		<u>\$ 34,487,219</u>						

**WALLINGTON BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>School District Population</u>	
2006	6.00%	\$ 63,103	11,189	
2007	5.40%	67,544	11,230	
2008	7.00%	67,331	11,249	
2009	12.20%	63,874	11,310	
2010	12.50%	63,885	11,359	
2011	12.30%	67,248	11,448	
2012	12.50%	69,281	11,500	
2013	8.60%	69,495	11,568	
2014	7.50%	69,495 (2)	11,626	
2015	N/A	69,495 (2)	11,626	(2)

Source: County Information vs. Municipality Information

(1) Reflects County of Bergen

(2) Estimate

N/A - Not Available

Source: United States Bureau of Census

**WALLINGTON BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

This information is not available.

This information is not available.

WALLINGTON BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	94	95	95	95	95	90	91	91	92	94
Special Education	3	3	3	3	4	4	4	4	5	5
Other Special Education	2	2	2	2	3	3	3	3	5	6
Other Instruction	10	10	10	10	10	8	8	8	10	10
Support Services:										
General Administration	4	4	4	4	4	4	4	4	4	4
School Administrative Services	7	7	7	7	8	7	7	7	7	7
Other Administrative Services	4	4	4	4	4	4	4	4	4	4
Central Services	3	3	3	3	3	3	3	3	3	3
Administrative Information Technology	1	1	1	2	2	2	1	2	2	2
Plant Operations and Maintenance	12	12	12	13	12	10	10	10	8	7
Total	140	141	141	143	145	135	135	136	140	142

Source: District Personnel Records

**WALLINGTON BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Senior High School					
2006	1,193.0	\$ 14,016,523	\$ 11,749	-0.36%	109	1:20.8	1:20		1,160.0	1,084.4	2.61%	93.48%
2007	1,160.0	14,593,746	12,926	10.02%	108	1:19	1:12.3		1,161.3	1,092.9	0.11%	94.11%
2008	1,152.0	15,608,197	13,549	4.82%	108	1:13	1:12.7		1,143.8	1,076.0	-1.51%	94.07%
2009	1,157.0	17,080,059	14,762	8.96%	108	1:13.9	1:11.2		1,123.6	1,065.5	-1.77%	94.83%
2010	1,153.0	17,080,059	14,814	0.35%	109	1:10.5	1:10.6		1,140.6	1,085.2	1.51%	95.14%
2011	1,169.0	16,332,525	13,971	-5.69%	105	1:11.1	1:11.2		1,157.4	1,102.8	1.47%	95.28%
2012	1,196.0	16,986,975	14,203	1.66%	106	1:11.5	1:10.8		1,188.7	1,127.4	2.70%	94.84%
2013	1,191.0	18,445,490	15,487	9.04%	105	1:14.8	1:22		1,198.8	1,137.3	0.85%	94.87%
2014	1,195.0	18,391,677	15,809	2.08%	112	1:13.5	1:12.8		1,183.5	1,123.1	-1.28%	94.90%
2015	1,345.0	19,426,106	14,443	-8.64%	115	1:11.1	1:11.5		1,290.6	1,219.2	9.05%	94.47%

Sources: District records

Note: ^a Enrollment based on annual October district count.^b Operating expenditures equal total expenditures less debt service and capital outlay.^c Cost per pupil represents operating expenditures divided by enrollment.

**WALLINGTON BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>District Building</u>										
<u>Elementary</u>										
Jefferson School										
Square Feet	19,279	19,279	19,279	19,279	19,279	19,279	19,279	19,279	19,279	34,243
Capacity (students)	132	132	132	132	132	132	132	132	132	241
Enrollment	210	205	207	208	207	223	230	261	269	303
Gaviak School										
Square Feet	36,297	36,297	36,297	36,297	36,297	36,297	36,297	36,297	36,297	36,297
Capacity (students)	283	283	283	283	283	283	283	283	283	283
Enrollment	374	364	377	378	377	381	400	400	398	445
<u>High School</u>										
Square Feet										
66,109	66,109	66,109	66,109	66,109	66,109	66,109	66,109	66,109	66,109	66,109
Capacity (students)	212	212	212	212	212	212	212	212	212	212
Enrollment	609	591	568	571	569	549	566	530	512	542

Number of Schools at June 30, 2015

Elementary =

Senior High School =

Source: District Records

WALLINGTON BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(Unaudited)

UNDISTRIBUTED EXPENDITURES - REQUIRED
REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Jefferson School	\$ 57,917	\$ 42,693	\$ 51,477	\$ 46,570	\$ 54,501	\$ 44,492	\$ 45,499	\$ 45,871	\$ 53,182	\$ 42,310
Frank W. Gavlak School	66,147	48,760	58,793	53,188	72,469	59,741	59,881	63,006	46,333	27,181
Wallington High School	130,531	96,219	116,017	104,957	110,872	86,332	85,353	104,127	109,141	41,116
Total School Facilities	\$ 254,595	\$ 187,672	\$ 226,287	\$ 204,715	\$ 237,842	\$ 190,565	\$ 190,733	\$ 213,004	\$ 208,656	\$ 110,607

**WALLINGTON BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2015
(Unaudited)**

	<u>Coverage</u>	<u>Deductible/ Retention</u>
School Package Policy (School Alliance Insurance Fund)		
Buildings and Contents	\$ 250,000,000	\$ 2,500
Boiler and Machinery	100,000,000	2,500
General Liability and Automobile Liability	5,000,000	
School Leaders Professional Liability	5,000,000	5,000
Workers' Compensation	5,000,000	
Public Official Bonds		
Treasurer	250,000	
Blanket Dishonesty Bond	\$500,000 per loss	

Source: District Insurance Records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Wallington Board of Education
Wallington, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wallington Board of Education as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Wallington Board of Education's basic financial statements and have issued our report thereon dated December 20, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Wallington Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Wallington Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wallington Board of Education's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

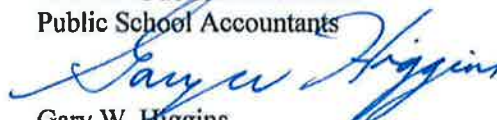
As part of obtaining reasonable assurance about whether the Wallington Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Wallington Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 20, 2015.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Wallington Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Wallington Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants


Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
December 20, 2015



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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RALPH M. PICONE, CPA, RMA, PSA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
U.S. OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
Wallington Board of Education
Wallington, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Wallington Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Wallington Board of Education's major federal and state programs for the fiscal year ended June 30, 2015. The Wallington Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Wallington Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Wallington Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Wallington Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Wallington Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Wallington Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Wallington Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Wallington Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

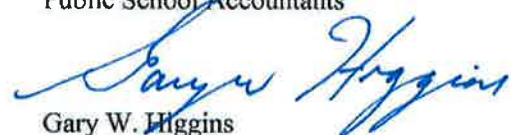
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wallington Board of Education, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 20, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants


Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
December 20, 2015

WALLINGTON BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2014	Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Intergov't Receivable	June 30, 2015 Unearned Revenue	Due to Grantor	(Memo) GAAP Receivable
U.S. Department of Agriculture Passed-Through State Department of Education												
National School Lunch Program	10.555	7/1/14-6/30/15	\$ 107,213	\$ (6,987)		\$ 100,304	\$ 107,213		\$ (6,909)			\$ (6,909)
National School Lunch Program	10.555	7/1/13-6/30/14	101,436			6,987						
School Breakfast Program	10.553	7/1/14-6/30/15	10,906			10,150	10,906		(756)			(756)
School Breakfast Program	10.553	7/1/13-6/30/14	9,310	(698)		698						
Total U.S. Department of Agriculture				(7,685)		118,139	118,119		(7,665)			(7,665)
U.S. Department of Health and Human Services												
ARRA - Medical Assistance Program (SEMI)	93.778	10/1/08-12/31/10	\$ 4,840			4,840	4,840					
Medical Assistance Program (SEMI)	93.778	7/1/14-6/30/15	26,366			26,366	26,366					
Total U.S. Department of Health and Human Services						31,206	31,206					
U.S. Department of Education Passed-through State Department of Education												
Special Revenue Fund												
N.C.L.B.												
Title I	84.010A	7/1/14-6/30/15	208,459			\$ 161,974	\$ 208,459		(46,485)			(46,485)
Title I	84.010A	7/1/13-6/30/14	218,645	(3,577)		3,577						
Title IIA	84.367A	7/1/14-6/30/15	37,135			20,837	37,171		(16,334)			(16,334)
Title IIA	84.367A	7/1/13-6/30/14	35,941	(13,545)		13,545						
Title III	84.365A	7/1/14-6/30/15	14,311			10,600	14,619		(4,019)			(4,019)
Title III	84.365A	7/1/13-6/30/14	20,087	(3,035)		3,035						
I.D.E.A. Part B, Basic	84.027	7/1/14-6/30/15	264,692			264,692	264,692		(1,388)	1,388		
I.D.E.A. Part B, Basic	84.027	7/1/13-6/30/14	263,916	(13,581)		13,581						
I.D.E.A. Part B, Preschool	84.173	7/1/14-6/30/15	5,916			5,916	5,916					
Total Special Revenue Fund				(33,738)		497,757	530,857		(68,226)	1,388		(66,838)
Total Federal Financial Assistance				\$ (41,423)	\$ -	\$ 642,262	\$ 675,342	\$ -	\$ (75,891)	\$ 1,388	\$ -	\$ (74,503)

Less:
On-Behalf Assistance Not Included in
Single Audit and Major Program Determination
TPAF - Normal
TPAF Post-Retirement Medical Contribution
TPAF - NCGI

Total State Financial Assistance Subject to Single
and Major Program Determination

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Wallington Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$12,742 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 31,206	\$ 4,849,001	\$ 4,880,207
Special Revenue Fund	530,857		530,857
Capital Projects Fund		868,447	868,447
Food Service Fund	118,119	2,220	120,339
Total Financial Assistance	<u>\$ 680,182</u>	<u>\$ 5,719,668</u>	<u>\$ 6,399,850</u>

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$567,576 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$401,677 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$637,663 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**WALLINGTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? yes X no

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? yes X none reported

Noncompliance material to the basic financial statements noted? yes X no

Federal Awards Section

Internal Control over compliance:

1) Material weakness(es) identified? yes X no

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? yes X none reported

Type of auditor's report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section.510(a))? yes X none

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA Part B, Basic
84.173	IDEA Part B, Preschool

Dollar threshold used to distinguish between Type A and Type B Programs

\$ 300,000

Auditee qualified as low-risk auditee?

 X no

**WALLINGTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor's Results

State Awards Section

Internal Control over compliance:

- 1) Material weakness(es) identified? yes X no
- 2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? yes X none reported

Type of auditor's report on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08, as amended?

 yes X none

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>15-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>15-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>15-495-034-5120-084</u>	<u>Security Aid</u>
<u>15-495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>15-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>15-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>15-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>
<u>5430-050-14-1001</u>	<u>SDA - Wallington Junior and Senior High School Exterior Systems Repair and Restoration</u>

Dollar threshold used to distinguish between Type A and Type B Programs

\$ 300,000

Auditee qualified as low-risk auditee?

 X yes no

**WALLINGTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 2 - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

**WALLINGTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 3- Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

**WALLINGTON BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

There were none.